

MEETING OF THE BOARD OF DIRECTORS  
OF  
CHERRYLAND ELECTRIC COOPERATIVE

September 25, 2023

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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 25, 2023.

Meeting was called to order at 9:02 a.m. by Senior Vice President Schneider.

Present: David Schweitzer, President (via Zoom)  
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. Christian Vermeulen, System Engineer, and Mr. Caleb Gordon, Staking Technician joined the meeting.

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

One member was present for public input.

Mr. Richard Schmuckal joined the meeting to speak about his experience with No Barriers, The Warriors Program. Mr. Schmuckal explained the program and how it promotes group interaction and self-discovery among disabled veterans. He shared his personal experiences and the post-program connections that he has made with other veterans. One of his many takeaways from the program was the phrase: "What's within you is stronger than what's in your way."

The August Safety Report was discussed. The Rural Electric Safety Achievement Program completed its safety review. Results will be shared at the October board meeting.

The August meeting minutes were discussed. Motion by Mr. Lautner, supported by Mr. Schweitzer and carried to approve the minutes of the regular board meeting held on August 28, 2023.

Mr. Wilson, CFO, presented a 2023 Budget Modification Agreement for the board's review. The agreement would allow an amendment to the 2023 budget to permit expenses for right-of-way tree trimming maintenance, in the amount of \$700,000 to move from the 2024 budget to the 2023 budget. After reviewing and discussing the budgets and agreement, the board approved the modification. Motion by Mr. Schweitzer, supported by Mr. Van Pelt and carried to approve the 2023 Budget Modification Agreement.

Mr. Wilson presented the Equity Management Policy, approved on March 16, 2015, in its current form. Mr. Wilson explained that lenders no longer provide an equity performance discount, which was a driving factor for the current policy. The board was asked to review the policy and consider amending same in the future. No action was taken by the board at this time.

Mr. Wilson explained the 2023 Capital Credit Retirement Options available to the board. After a lengthy discussion the board decided to not retire capital credits in 2023. Motion by Ms. Handy, supported by Mr. Adams. The motion passed 6-1 and carried to not retire capital credits in 2023.

The board recessed for a break at 10:58 a.m. and reconvened at 11:09 a.m.

Managers' reports were reviewed and discussed.

Ms. Johnson discussed the energy legislation package and its progression to the senate next week. Discussions are in progress to modify the 100% clean energy standard to include nuclear and natural gas and the deadline has been extended to 2040.

Ms. Johnson reported that there are three local businesses that are interested in applying for an economic loan through CEC. If, after completing the application process, they remain interested in the economic loan they will individually present their request to the board.

Ms. Johnson updated the board on facilities planning. CEC is going through a cost projection of a new facility on new property and on remodeling/additions to the current location. The water and sewer process continues at the new property and should wrap up in the next 30 – 40 days. The next phase will be zoning.

Old business was discussed.

Mr. Schweitzer, President, was invited to attend two Wolverine Power Supply Cooperative board meetings, to participate in discussions regarding Palisades Nuclear Power Plant, on August 1, 2023 and August 24, 2023. The board discussed a per diem for Mr. Schweitzer's attendance at both board meetings. Motion by Mr. Lautner, supported by Mr. Van Pelt and carried to approve per diem for Mr. Schweitzer's attendance at the August 1, 2023 and August 24, 2023, Wolverine Power Supply Cooperative board meetings.

New business was discussed.

The board was presented with a Resolution Authorizing the Amendment of the 401(k) Pension Plan so that the policy aligns with the new 2023 collective bargaining contract. Motion by Mr. Lautner, supported by Mr. Schneider and carried to approve the Resolution Authorizing the Amendment of the 401 (k) Pension Plan.

Wolverine Power Supply Cooperative matters were discussed.

Mr. Schneider provided an update on MECA and shared that the April Symposium planning is underway.

The General Counsel report was discussed.

Upcoming meetings were discussed.

Cooperative advocacy issues were discussed. Mr. Van Pelt and Ms. Lautner are serving on the Leelanau Energy Future Taskforce. The taskforce will explore future possibilities for Leelanau County.

There being no further business to come before the board, it was moved to adjourn, supported, and carried. Meeting adjourned at 12:07 p.m.

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David Schweitzer, President

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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.

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