

MEETING OF THE BOARD OF DIRECTORS  
OF  
CHERRYLAND ELECTRIC COOPERATIVE

October 23, 2023

---

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on October 23, 2023.

Meeting was called to order at 8:59 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 (via Zoom)  
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. Pat Ellis, Substitute General Counsel, Ms. Nancy Bannatyne, Member Service Representative, Ms. LeAnne Gilmore, Member Service Representative and Mr. Joshua Hamilton, Right-of-Way Specialist joined the meeting.

President Schweitzer reviewed the board agenda. Motion by Ms. Lautner, supported by Ms. Handy and carried to approve the agenda, as presented.

No members were present for public input.

The September Safety Report was discussed. The Rural Electric Safety Achievement Program (RESAP) completed its safety review in September and Mr. Puffer shared the results with the board. He explained that RESAP is conducted every three years. Overall, the evaluation of the Co-op was good and it was apparent that the funds budgeted for equipment and tools over the past four years have been money well spent.

The September meeting minutes were discussed. Ms. Handy pointed out a typographical error and asked for the minutes to be amended. Motion by Mr. Schneider, supported by Mr. Lautner and carried to approve the minutes of the regular board meeting held on September 25, 2023, as amended.

Mr. Siepker presented the 2024 Capital Budget to the board. The board discussed the proposed budget and asked questions about budget items including AMI metering, line extensions equipment and the fleet. After much discussion, President Schweitzer commented that the budget was well thought out. The board will take action regarding the 2024 Capital Budget in November.

The board recessed for a break at 10:43 a.m. and reconvened at 10:52 a.m.

Gary Jonas, co-owner of Field la Femme, LLC dba Farm Club presented a proposal to the board to secure a revolving loan. The board asked questions regarding growth and demand, impact of expanding and financials. After much discussion, President Schweitzer thanked Mr. Jonas for the interest in the loan program and advised him that the board would further discuss the documentation presented and contact him. Mr. Jonas left the meeting. The board continued their discussion and agreed upon the terms of the loan offer. Motion by Mr. Lautner, supported by Mr. Schneider and carried to approve the loan offer to Mr. Jonas.

Managers' reports were reviewed and discussed.

Ms. Johnson reported that upcoming communication to members will discuss the shift of the cooperative's work hours to 10-hour days and a 4-day work week, in effect from June 3, 2024 through August 29, 2024.

Ms. Johnson updated the board on the energy legislation bills. One group of bills, that have been moved to the floor, would grant the Michigan Public Service Commission siting authority over local governments regarding large renewable energy projects. This means that the MPSC could override local government zoning and permitting. The 100% clean energy standard and energy waste reduction mandate remain in the Senate.

At 12:26 p.m. the board entered Executive Session to discuss old business. Motion by Mr. Van Pelt, supported by Ms. Lautner and carried to enter Executive Session.

At 12:40 p.m. the board ended Executive Session by Motion of Mr. Schneider, supported by Mr. Van Pelt and carried to end Executive Session.

New business was discussed.

The 86<sup>th</sup> Annual Meeting will be held on June 13, 2024 at Incredible Mo's.

Mr. Lautner stated that he needs a continuing education class by the end of 2023 to maintain his Director Gold credential. He advised that the cost of this class would not exceed his continuing education budget.

Ms. Handy completed her first level board training certification at the beginning of October at the NRECA Credentialed Cooperative Director Fast Track Training.

Wolverine Power Supply Cooperative matters were discussed.

Mr. Schneider provided an update on MECA. He shared that the 2024 budget will be lower than 2023 budget and that the ADHOC committee is presenting recommendations for MECA to determine what services it is receiving from Wolverine.

The General Counsel report was discussed.

Upcoming meetings were discussed.

Cooperative advocacy issues were discussed. Mr. Van Pelt reported that the Leelanau Energy Future Taskforce will have three working groups: energy efficiency, clean transportation, and clean energy.

At 1:01 p.m. the board entered Executive Session to discuss a resolution to grant authority to the Chief Executive Officer/General Manager to appoint a Chief Operating Officer. Motion by Mr. Van Pelt, supported by Mr. Schneider and carried to enter Executive Session.

At 1:16 p.m. the board ended Executive Session by Motion of Mr. Schneider, supported by Mr. Van Pelt and carried to end Executive Session.

Motion by Mr. Schneider, supported by Ms. Lautner and carried to adopt a resolution to grant authority to the Chief Executive Officer/General Manager to appoint a Chief Operating Officer.

There being no further business to come before the board, it was moved to adjourn, supported, and carried. Meeting adjourned at 1:18 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.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_