

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

November 27, 2023

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on November 27, 2023.

Meeting was called to order at 9:00 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, COO; Ms. Deidra Charnes, Human Resources Director; Ms. Courtney Doyle, Communications & Member Relations Manager, Mr. Greg Jenkins, General Counsel, Mr. Brad Pavwoski, Controller, Mr. Jason Rice, Metering Supervisor, Mr. Carter Spoutz, Electrical Engineer and Ms. Shannon Beery, Executive Administrative Assistant, joined the meeting. Mr. Jeff Puffer, Safety & Operations Manager, was not present.

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

No members were present for public input.

The October Safety Report was discussed.

The October meeting minutes were discussed. Mr. Lautner asked for the minutes to be amended to reflect that the class he took in early November did not exceed his continuing education budget. Motion by Mr. Van Pelt, supported by Ms. Lautner and carried to approve the minutes of the regular board meeting held on October 23, 2023, as amended.

Mr. Wilson presented a proposed 2024 Operating Budget to the board. The board discussed the proposed budget and asked questions about cost drivers and projections for 2024. The board will take action regarding the 2024 Operating Budget in December.

Managers' reports were reviewed and discussed.

Ms. Johnson discussed the energy legislation bills that were passed and how they affect the Cooperative. Wolverine will take the lead regarding the new clean energy standard. Cherryland will develop a plan to address the energy waste reduction mandate.

Old business was discussed.

Mr. Siepker presented a recap of the proposed 2024 Capital Budget which was presented to the board in October. Mr. Siepker's presentation included a few amendments. The board discussed the 2024 Capital Budget, including the amendments, and agreed to approve same. Motion by Ms. Lautner, supported by Mr. Schneider and carried to approve the 2024 Capital Budget.

Mr. Siepker recapped proposed amendments to the current Line Extension Fee Structure. The proposed changes manage rising costs by eliminating free footage and splitting costs between the cooperative and member for the new construction project. After some discussion, the board approved the amendments as presented. Motion by Mr. Van Pelt, supported by Ms. Handy and carried to approve the Line Extension Fee Structure changes which will go into effect January 1, 2024.

The board recessed for a break at 10:40 a.m. and reconvened at 10:51 a.m.

At 11:02 a.m., Lynn and Daryl Telgard, owners of Bluebird Restaurant & Tavern presented a proposal to the board to secure a revolving loan. The board asked questions regarding the scope of the project, business outlook and financials. After much discussion, President Schweitzer thanked Mr. and Mrs. Telgard for their interest in the loan program and advised that the board would further discuss the documentation presented and contact them. Mr. and Mrs. Telgard left the meeting at 11:55 a.m. The board continued their discussion and agreed upon the terms of the loan offer. Motion by Mr. Lautner, supported by Ms. Lautner and carried to approve the loan offer to Bluebird Restaurant & Tavern.

There was no new business to discuss.

Wolverine Power Supply Cooperative matters were discussed. Mr. Schweitzer will attend the December Wolverine Board meeting as guest director.

Spartan Energy matters were discussed. Mr. Lautner was re-elected to the Wolverine Board as a Spartan Energy representative.

Wolverine Power Supply Cooperative matters were discussed.

Mr. Schneider provided an update on MECA. The ADHOC committee will present its findings and suggestions at the November board meeting. Both organizational and governance issues, including maintaining existing services, increasing non-member dues, updating dues structure, increasing board autonomy and amending the Unified Service Agreement with Wolverine, will be presented.

The General Counsel report was discussed.

Upcoming meetings were discussed.

Cooperative advocacy issues were discussed.

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

At 12:35 p.m. the board ended Executive Session by Motion of Mr. Schneider, supported by Lautner and carried to end Executive Session.

There being no further business to come before the board, it was moved to adjourn, supported, and carried. Meeting adjourned at 12:35 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.
