

SPECIAL MEETING OF THE BOARD OF DIRECTORS  
OF  
CHERRYLAND ELECTRIC COOPERATIVE

March 18, 2024

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A special meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on March 18, 2024.

Meeting was called to order at 9:01 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 (attended virtually)  
                  Rachel Johnson, CEO  
                  Shannon Beery, Assistant Secretary

Mr. Mark Wilson, CFO; Mr. Frank Siepker, COO; Ms. Deidra Charnes, Director of Human Resources; Ms. Courtney Doyle, Communications & Member Relations Manager; Mr. Greg Jenkins, General Counsel; Mr. Brad Pavwoski, Controller; Ms. Sonya Sias, Member Services Supervisor; and Mr. Jason Rice, Metering Supervisor joined the meeting.

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

President Schweitzer opened the public meeting regarding the cooperative's proposed rate increase at 9:03 a.m. No members were present for public input. CEO, Rachel Johnson, outlined the components of the proposed rate increase: an increase in the availability charge and an increase in the energy charge to be effective May 1, 2024. The rate change applies to all rate classes. The average residential member will see a \$6.80, or 6.2%, increase in their monthly electric bill. Ms. Johnson noted the majority of member interactions regarding the public announcement of the rate change occurred via blog comments, with only three members attending the public information session the week prior. She also expressed the need for continued member communications on the understanding and implications of the cooperative's fixed costs. Motion by Ms. Handy, supported by Mr. Van Pelt, and carried to approve the 2024 rate increase as proposed and documented in Section D of Rate Book No. 5, Cherryland Electric Cooperative.

President Schweitzer closed the public meeting at 9:13 a.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 special meeting of the Board of Directors of said Cooperative and each and every step taken and performed thereat.

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MEETING OF THE BOARD OF DIRECTORS  
OF  
CHERRYLAND ELECTRIC COOPERATIVE

March 18, 2024

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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 March 18, 2024.

Meeting was called to order at 9:13 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 (attended virtually)  
Rachel Johnson, CEO  
Shannon Beery, Assistant Secretary

Mr. Mark Wilson, CFO; Mr. Frank Siepker, COO; Ms. Deidra Charnes, Director of Human Resources; Ms. Courtney Doyle, Communications & Member Relations Manager; Mr. Greg Jenkins, General Counsel; Mr. Brad Pavwoski, Controller; Ms. Sonya Sias, Member Services Supervisor; and Mr. Jason Rice, Metering Supervisor, joined the meeting.

President Schweitzer congratulated Ms. Lautner on earning her NRECA Director Gold Credential certification and Mr. Lautner on receiving his NRECA Directors Gold Credential re-certification.

President Schweitzer reviewed the board agenda and recommended an asterisk be added to section 9.1 Audit Committee Report to reflect that a motion would be requested during this meeting. Motion by Mr. Schneider, supported by Ms. Lautner, and carried to approve the agenda, as amended.

No members were present for public input.

The February Safety Report was discussed. There were no safety incidents to report last month. Several cooperative staff took part in a successful Industry Night Out event hosted at Cherryland for members of NMC's and Northwest Ed Career Tech Center's IT programs.

The February meeting minutes were discussed. Motion by Ms. Lautner, supported by Mr. Schneider, and carried to approve the minutes of the regular board meeting held on February 19, 2024.

Ms. Courtney Doyle, Communications & Member Relations Manager, gave a special presentation on the cooperative's enhanced meter communications and answered questions from the board regarding same. The meter upgrade will occur largely in May, with new wireless meters replacing outdated equipment to improve reliability, member service, and efficiency.

Managers' reports were reviewed and discussed.

The board recessed for a break at 10:29 a.m. and reconvened at 10:39 a.m.

Old business was discussed.

Ms. Johnson provided an update on facilities planning, including partners on the project, plans for forthcoming focus groups with employees, tours of other co-op's newer headquarters, and an initial design timeline.

New business was discussed.

CFO, Mr. Mark Wilson, shared the audit report on behalf of the Audit Committee. This year's audit went extremely well thanks to the hard work of the cooperative's accounting team and all staff who acted as good stewards of its assets. This year, Wolverine has been delayed in issuing its finalized capital credit allocations, so the figures in the audit draft represent best estimates. Due to the cooperative's need to stay ahead of its own reporting deadlines with lenders and the MPSC, the audit draft was recommended for board acceptance. Motion by Mr. Van Pelt, supported by Mr. Lautner, and carried to accept the 2023 audit barring any material changes in final capital credit allocation numbers from Wolverine.

Mr. Jason Rice, Metering Supervisor, provided the details of a new meter opt-away tariff. After some discussion between Mr. Jenkins, General Counsel, and the board, the tariff will be amended for approval at April's board meeting.

Based on discussions during February's Executive Session regarding timing of CEO review, the board agreed to approve changes to the Agenda Planning Policy (#106) and Monitoring CEO Performance Policy (#173). Motion by Mr. Lautner, supported by Ms. Lautner, and carried to approve the revisions to Board Policies #106 – Agenda Planning and #173 – Monitoring CEO Performance.

Wolverine Power Supply Cooperative matters were discussed.

After nearly four decades of service, Mr. Van Pelt will not be seeking another term as one of Cherryland's director representatives on Wolverine's board. His choice to step down has resulted in a vacancy for this Wolverine seat. Mr. Van Pelt nominated Mr. Schweitzer as the Wolverine board representative. There were no other nominees. Motion by Mr. Van Pelt, supported by Mr. Schneider, and carried to nominate Mr. Schweitzer as Cherryland's new director representative on the Wolverine Board of Directors.

Wolverine's 2024 certification of delegates and voting delegates for its Annual Meeting were needed. Motion by Mr. Lautner, supported by Mr. Schneider, and carried to certify the 2024 Wolverine delegates and approve Mr. Schweitzer as the 2024 Wolverine Annual Meeting voting delegate, with Ms. Handy as the alternate.

The board discussed the invitation by Wolverine for an additional guest to tour the Palisades facility. Mr. Van Pelt expressed his interest in attending as Cherryland's guest.

At 11:17 a.m. the board entered Executive Session to discuss a Wolverine sales opportunity. Motion by Mr. Van Pelt, supported by Mr. Lautner, and carried to enter Executive Session.

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At 11:23 a.m. the board ended Executive Session by motion of Mr. Schneider, supported by Ms. Lautner, and carried to end Executive Session.

Mr. Schneider provided an update on MECA. He indicated there will be a need for an EWR consultant to be hired for a multi-year agreement with MECA at an associated financial cost, though this will not fully be in place until 2026.

Cherryland’s director representative on the MECA board was up for election. Mr. Schneider expressed interest in being reappointed. There was no additional interest from other Cherryland directors. Motion by Mr. Van Pelt, supported by Mr. Lautner, and carried to nominate Mr. Schneider as the MECA representative.

A voting delegate for MECA’s 2024 Annual Meeting was needed. Motion by Ms. Handy, supported by Ms. Lautner, and carried to approve Mr. Schneider as the 2024 MECA Annual Meeting voting delegate.

The General Counsel report was discussed.

Upcoming meetings were discussed.

Cooperative advocacy issues were discussed.

At 11:50 a.m. the board entered Executive Session to discuss employee matters. Motion by Mr. Schneider, supported by Mr. Van Pelt, and carried to enter Executive Session.

At 11:56 a.m. the board ended Executive Session by motion of Mr. Schneider, supported by Mr. 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 11:57 a.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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