

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

April 22, 2024

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on April 22, 2024.

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
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; and Mr. Scott Kissau, Engineering Supervisor, joined the meeting.

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

No members were present for public input.

The March Safety Report was discussed. An employee received a deer tick bite but was able to successfully remove it quickly and without issue. There were no other safety incidents to report last month.

The March meeting minutes were discussed. Motion by Mr. Van Pelt, supported by Mr. Lautner, and carried to approve the minutes of the special board meeting, and motion by Ms. Lautner, supported by Ms. Handy, and carried to approve the minutes of the regular board meeting, both held on March 18, 2024.

Mr. Brad Pavwoski, Controller, gave a special presentation on the cooperative's financial forecast and answered questions from the board regarding same. The forecast was the result of CFC's new financial modeling tool, and provided a 10-year outlook of growth, costs, and potential rate impacts. This forecasting and budgeting tool will benefit the cooperative's management decisions and aid in future planning.

Managers' reports were reviewed and discussed.

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The board recessed for a break at 10:30 a.m. and reconvened at 10:42 a.m.

Old business was discussed.

Mr. Siepker, COO, discussed construction workplan capital projections for 2025 and 2026 along with an amendment to the 2024 capital budget to reflect the purchase of a new digger truck that came available earlier than originally planned. Mr. Siepker answered questions from the board and Mr. Schweitzer praised the work put into the development of the workplan. Motion by Mr. Schneider, supported by Mr. Adams, and carried to approve the construction workplan capital projections for 2025 and 2026 and the capital budget as amended for 2024.

Mr. Jenkins, General Counsel, confirmed the amendments to the new meter opt-away tariff, as discussed during the March board meeting. After brief discussion, motion by Ms. Lautner, supported by Ms. Handy, and carried to approve the new meter opt-away tariff for the Cooperative's rate book.

Ms. Johnson provided an update on facilities planning, including the successful completion of employee focus groups, upcoming co-op tours, and the planned appearance of the consulting team at the May board meeting.

New business was discussed.

Mr. Schweitzer welcomed Chief Paul Mackin and Ms. Kim McCann of the Grand Traverse Metro Emergency Services Authority to discuss their intention to be considered for a \$360,000 loan from the Cooperative's revolving loan fund should the Cooperative be granted additional funds from the USDA Rural Business-Cooperative Service economic development loan and grant program. This zero interest loan would assist GT Metro in the purchase of a new pumper engine in August. After some discussion and questions from the board, Mr. Schweitzer thanked Chief Mackin and Ms. McCann for their time before showing them out.

Ms. Johnson presented Resolution 2024-1 – Authorization of Application for Rural Economic Development Grant. If granted from the Rural Business-Cooperative Service, the \$300,000, along with \$60,000 from the Cooperative, would be loaned at zero interest to Grand Traverse Metro Emergency Services Authority in purchasing the new fire rescue/pumper vehicle to serve its residential constituents. Repayments from this loan would be added to the Cooperative's revolving loan fund, expanding its ultimate value by \$360,000. Motion by Mr. Van Pelt, supported by Mr. Schneider, and carried to pass Resolution 2024-1 with Ms. Handy abstaining from the vote.

The 2023 Wolverine Power Supply patronage capital allocation was discussed. This allocation will be reflected on members' June bills, with the Cooperative's allocation showing \$0.00. Motion by Mr. Schneider, supported Ms. Lautner, and carried to approve the 2023 Wolverine Power Supply patronage capital allocation.

The board discussed the Election & Credentials Committee members for 2024. Motion by Mr. Lautner, supported by Ms. Handy, and carried to approve Ms. Julie Newcomb, Ms. Linda Burton, Mr. Marvin Scott, Ms. Nancy Scott, Mr. Ronald Dillie, Mr. James Vanderley, and Mr. Kenton Anderson as 2024 Election & Credentials Committee members.

Wolverine Power Supply Cooperative matters were discussed.

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Wolverine Power Supply Cooperative has been selected to proceed with the next step in the application process for New ERA federal grant funds. As such, Ms. Johnson and Mr. Schweitzer have signed a letter of support as one of WPSC’s member cooperatives.

Mr. Schneider and Ms. Johnson provided an update on MECA. There is need for a unified approach to advocacy, communications, safety, mutual aid, and statewide goals and mandates. As such, MECA is looking to its members to commit to a multi-year partnership agreement. After much board discussion, motion by Ms. Handy, supported by Mr. Van Pelt, and carried to approve authorization for Ms. Johnson, CEO, to enter only into a 5-year member partnership agreement with MECA.

The General Counsel report was discussed.

Upcoming meetings were discussed.

Cooperative advocacy issues were discussed.

At 12:04 p.m. the board entered Executive Session to discuss CEO review. Motion by Mr. Schneider, supported by Ms. Lautner, and carried to enter Executive Session.

At 12:20 p.m. the board ended Executive Session by motion of Mr. Schneider, supported by Ms. 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 12:20 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.

