

MEETING OF THE BOARD OF DIRECTORS  
OF  
CHERRYLAND ELECTRIC COOPERATIVE

September 23, 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 September 23, 2024.

Meeting was called to order at 9:00 a.m. by President Schneider.

Present: Gabe Schneider, President  
Valarie Handy, Sr. Vice President  
Melinda Lautner, Secretary  
Thomas Van Pelt, Treasurer  
Terry Lautner  
David Schweitzer  
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 Ms. Sonya Sias, Member Services Supervisor, joined the meeting.

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

The August meeting minutes for the regular board meeting were discussed. Motion by Mr. Schweitzer, supported by Mr. Van Pelt, and carried to approve the minutes of the regular board meeting, held on August 19, 2024.

Upcoming meetings were discussed.

No members were present for public input.

Ms. Doyle presented the results of the recent all-member survey. This survey is distributed to the entire membership and provides a measure of members' satisfaction, loyalty, and general priorities with regards to the cooperative. Ms. Doyle shared plans for sending another survey in 2025. The board asked questions concerning survey results and respondents and Ms. Doyle provided answers regarding same.

Reports from the safety team, managers, and general counsel were reviewed and discussed.

Board of Directors Meeting – September 23, 2024

The board recessed for a break at 10:06 a.m. and reconvened at 10:13 a.m.

Ms. Johnson provided her CEO report. She provided highlights from NRECA's regional meeting in Grand Rapids as well as recent legislative events. She also indicated that technology consultants were on site and that the new cohort of Co-op Academy (previously Emerging Leaders) would gather the following week. Ms. Johnson shared recent updates on the co-op's Rural Economic Development Loan program and the board discussed same. Finally, she briefly discussed recent news coverage of Palisades and provided an update regarding same.

Mr. Wilson presented two options regarding 2024 capital credit retirement to the board; retire no capital credits so as to preserve the co-op's equity position or retire \$567,368.00 in capital credit retirements to provide a conservative return to the membership. After some board and staff discussion, the option to retire capital credits was decided upon. Motion by Ms. Handy, supported by Ms. Lautner, and carried to approve a capital credit retirement not to exceed \$567,368.00. This includes a partial retirement of year 2023 Wolverine patronage capital, and a partial retirement of 2004 Wolverine patronage capital.

The term of Cherryland Cares Board Treasurer, Connie Deneweth, was up for reappointment. Motion by Ms. Handy, supported by Mr. Van Pelt, and carried to approve the reappointment of Connie Deneweth to the Cherryland Cares Board.

Ms. Doyle provided an update on the co-op's Energy Waste Reduction (EWR) program. There has been a 17% increase in rebates year to date, which has resulted in a forecasted overage in the EWR budget for 2024. Ms. Doyle proposed an increase to the EWR budget to partially cover this budget overage. The board asked questions on the EWR program and budget, and Ms. Doyle provided answers regarding same. Motion by Mr. Schweitzer, supported by Mr. Adams, and carried to approve the 2024 EWR budget amendment as presented.

Wolverine Power Supply Cooperative matters were discussed.

Mr. Schneider provided a brief update on MECA. He thanked the board members who were able to represent the co-op at the MECA-sponsored training ahead of the NRECA regional meeting. Mr. Schneider indicated the MECA CEO search process has started with a MECA board survey for qualifications sought.

Board member updates were discussed.

There being no further business to come before the board, it was moved to adjourn, supported, and carried. Meeting adjourned at 11:01 a.m.

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Gabe Schneider, President

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Melinda Lautner, Secretary

Board of Directors Meeting – September 23, 2024

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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FACILITIES STUDY SESSION OF THE BOARD OF DIRECTORS  
OF  
CHERRYLAND ELECTRIC COOPERATIVE

September 23, 2024

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A facilities study session of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on September 23, 2024.

Meeting was called to order at 11:22 a.m. by President Schneider.

Present:           Gabe Schneider, President  
                  Valarie Handy, Sr. Vice President  
                  Melinda Lautner, Secretary  
                  Thomas Van Pelt, Treasurer  
                  Terry Lautner  
                  David Schweitzer  
                  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. Chris Eckerdt, Warehouse Supervisor, joined the meeting.

President Schneider welcomed guests from the Cunningham-Limp planning team to the study session. Led by Mr. Jerry Tomczak of Cunningham-Limp, the planning team also included representatives from Studio+ (Ms. Meghan Frederick, Ms. Chandler Hilton; and Ms. Jessica King) and Gosling Czubak (Mr. Bob Verschaeve). Mr. Adams, Director, was also involved in the planning process as the board's liaison.

Ms. Frederick of Studio+ gave a brief overview of the initial design process, which included meetings with the cooperative's executive team and focus groups with the various departments of the co-op to discuss safety, operational adjacencies, employee needs, and cyber risks. The process also included tours of other northern Michigan co-ops and the new BATA facility. From this initial research, two concepts were presented; a new facility build and a renovation of the co-op's current facilities.

Mr. Siepker presented the initial designs, estimated costs, and benefits and drawbacks for each concept as well as considerations for proceeding with neither option. The board posed various questions regarding each option, as well as future inflationary and inventory pressures and community/member impact.

President Schneider thanked Mr. Tomczak and team for all of the hard work they put into the design and budgeting for this project.

After much discussion, the board voiced their unanimous support in proceeding with the new facility build option. Cooperative staff will work with Mr. Jenkins to bring a resolution to the board to authorize the cooperative to proceed with the next phase of new facility design plans and future next

Study Session of the Board of Directors – September 23, 2024

steps. Staff will also commence plans for budgeting and communications, as well as anticipated timing of construction.

There being no further business to come before the board, it was moved to adjourn, supported, and carried. Meeting adjourned at 2:00 p.m.

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Gabe Schneider, President

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Melinda Lautner, 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 study session of the Board of Directors of said Cooperative and each and every step taken and performed thereat.

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