

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

December 16, 2024

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on December 16, 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; Mr. Greg Jenkins, General Counsel; Mr. Brad Pavwoski, Controller; Ms. Sonya Sias, Member Services Supervisor; Ms. Kristen Hartley, Member Experience Specialist; Ms. Bailey Watson, Communications & Marketing Specialist; and Mr. Jason Rice, Metering Supervisor, joined the meeting. Ms. Courtney Doyle, Communications & Member Relations Manager, was not present.

President Schneider congratulated Mr. Adams on earning his NRECA Credentialed Cooperative Director certification.

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

The November meeting minutes for the regular board meeting were discussed. Motion by Ms. Handy, supported by Ms. Lautner, and carried to approve the minutes of the regular board meeting, held on November 25, 2024.

Upcoming meetings were discussed.

No members were present for public input.

Mr. Pavwoski, Mr. Rice, Ms. Hartley, and Ms. Watson outlined the components of a proposed two-step rate change for 2025 and 2026. The timing and rollout of member communications regarding same were also discussed. After cooperative staff answered questions from the

board, President Schneider commended the work of the team and noted the proposed rate change has been carefully prepared and well thought out. A member information session and rate hearing are planned to precede the February 2025 board meeting.

Mr. Siepker presented information on the design-build process and highlighted the steps the cooperative took in determining Cunningham-Limp as its design-build partner for the new facility project. After discussing the board's questions, Director, Mr. Adams, who, himself, is a building and contracting professional in Traverse City, provided his feedback on Cunningham-Limp, stating he has been impressed with their work and the successful relationships they have with other building professionals and subcontractors in the area.

The board recessed for a break at 10:36 a.m. and reconvened at 10:45 a.m.

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

Mr. Siepker gave an update on facilities, including valuation of existing real estate, ongoing construction management and utility extension meetings, survey work on Garfield land parcel, and focus groups with department supervisors.

Ms. Johnson provided her CEO report. She gave an update regarding the economic development loan program and possible future borrowers. She also covered plans for the cooperative's strategic planning process, which will kick off with a board survey to be distributed before the end of the month. Ms. Johnson highlighted a proposed CFC bylaw change which will come before CFC members at its annual meeting in June. She also provided a recap of her attendance at recent community meetings. Finally, Ms. Johnson noted that Michigan Energy Assistance Program (MEAP) legislation was passed during lawmakers' lame-duck session. The cooperative will assess plans for implementation once requirements are finalized in 2025.

Mr. Pavwoski provided a recap of the proposed 2025 Operating Budget, which was presented to the board in November. Mr. Adams voiced his appreciation for the additional detail shared. Motion by Mr. Schweitzer, supported by Mr. Lautner, and carried to approve the 2025 Operating Budget.

At the board's request, Mr. Jenkins drafted a board resolution to formalize the board's intention to delegate authority to the CEO in appointing corporate officers. Motion by Ms. Lautner, supported by Mr. Van Pelt, and carried to approve Board Resolution 2024-4: Delegation of Authority to CEO to Appoint Corporate Officers.

With November's conclusion of the board policy review process, President Schneider indicated the need to create a standing board policy committee for future policy review. Motion by Ms. Handy, supported by Mr. Schweitzer, and carried to create the standing Board Policy Committee. President Schneider asked the board to indicate their interest in serving on this committee and he will make his appointments at the January meeting.

The Retiree Welfare Benefits Trust was discussed. Mr. Van Pelt provided a brief update on behalf of the Retiree Welfare Benefits Trust Committee and recommended the transfer of \$118,897.77 from the Trust into the Cooperative's General Fund to help cover the costs of

Board of Directors Meeting – December 16, 2024

benefits for Cherryland retirees. Motion by Mr. Schweitzer, supported by Mr. Van Pelt, and carried to approve the transfer of \$118,897.77 from the Trust into the Cooperative’s General Fund.

Mr. Rice presented an update of the 2025 Power Supply Base Rate adjustment. The proposed changes reflect a slight increase in the base rate for 2025. After discussion, the board approved the change to the base rate, as presented. Motion by Mr. Schweitzer, supported by Ms. Handy, and carried to approve the 2025 Power Supply Base Rate adjustment, effective January 1, 2025, as presented.

The board approved the proposed change to the Large Commercial & Industrial tariff, effective January 1, 2025. Motion by Ms. Lautner, supported by Mr. Schweitzer, and carried to approve the 2024 Large Commercial & Industrial tariff.

Wolverine Power Supply Cooperative matters were discussed.

Mr. Schneider provided a brief update on MECA, including recent progress of the MECA CEO search. The board further discussed MEAP legislation and plans for administering the program.

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 12:05 p.m.

Gabe Schneider, President

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 regular meeting of the Board of Directors of said Cooperative and each and every step taken and performed thereat.

