

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

May 19, 2025

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan May 19, 2025.

Meeting was called to order at 8:59 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. Brad Pavwoski, CFO; Mr. Frank Siepker, COO; Ms. Deidra Charnes, Director of Human Resources; Ms. Courtney Doyle, Communications & Member Relations Manager; Mr. Greg Jenkins, General Counsel; and Mr. Jason Rice, Metering 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 April 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 April 21, 2025, as amended.

Upcoming meetings were discussed.

No members were present for public input.

Ms. Doyle gave a special presentation on results from the 2025 all-member survey. Overall member feedback was positive, with the survey's response rate increasing to 10%, from 6% the year prior. Member loyalty improved from 2024 results and remain above the national average by five percentage points. Respondents confirmed reliability as a priority and detailed their preferences for co-op communication and notification methods. Ms. Doyle confirmed these preferences highlight opportunities for technology strategy as well as priorities for new facility planning. The board posed various questions regarding the survey and discussed the impact of members' geography and usage on response levels. President Schneider reiterated the

importance of Ms. Doyle's message regarding strategically communicating the value and reliability of this critical service.

Ms. Johnson, joined by Mr. Siepker, Mr. Rice, and Mr. Pavwoski, provided an overview of the cooperative's proposed strategic action plans for rate design and equity management. The rate design plan seeks to utilize co-op data and engage the membership in analyzing and devising a rate structure that reflects the intersection of cost, impact, and revenue predictability. In managing the cooperative's equity, the action plan proposes to efficiently balance operating margins, capital credit strategy, and financial forecasting. Ms. Johnson asked the board for feedback on each plan, upon which directors provided comments and questions for consideration. Member experience and artificial intelligence (AI) action plans will be brought before the board in the coming months, with the cumulative strategic plan to be proposed in August.

Reports from the safety team, CFO, human resources, and COO were reviewed and discussed.

Mr. Siepker briefed the board on the cooperative's facilities planning process, including updates on design development drawings and the continued progress toward milestone targets. The cooperative has engaged a legal team from Kuhn Rogers to assist with township zoning and land use, ensuring that process remains forward moving. Mr. Siepker also indicated an issue with the cooperative's water well at its current headquarters and remedies regarding same.

The board recessed for a break at 10:33 a.m. and reconvened at 10:45 a.m.

Remaining reports from managers and general counsel were reviewed and discussed.

Ms. Johnson discussed her CEO report. She provided an update on the cooperative's economic development loan program and outlined required amendments to existing loan agreements with The Workshop Brewing Company, LLC following a change in ownership of same. Motion by Mr. Lautner, supported by Mr. Schweitzer, and carried to approve the amended terms of the loan documents for The Workshop Brewing Company, LLC, and to permit the restructured loan closing with the new owner, Ms. Amber Carr. Ms. Johnson also provided updates on the upcoming NRECA director election as well as the cooperative's director election. The latter is going smoothly and results will be announced at the cooperative's Annual Meeting on June 12, 2025. Finally, she discussed highlights from her recent visit to Washington, D.C., including legislative advocacy related to the Michigan ice storm.

The 2024 patronage capital allocation was discussed. The allocations, from both the Cooperative and Wolverine Power Supply Cooperative, will be reflected on members' June bills. Motion by Mr. Schweitzer, supported Mr. Van Pelt, and carried to approve the 2024 capital allocation as presented.

As chair of the Board Policy Review committee, Mr. Van Pelt indicated an amendment was recommended to Board Policy #104 – Directors' Code of Conduct. Motion by Mr. Van Pelt, supported by Ms. Handy, and carried to approve the amendments to the Directors' Code of Conduct policy.

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Voting delegates were needed for the CFC annual meeting and NCSC annual meeting. Motion by Ms. Lautner, supported by Mr. Van Pelt, and carried to approve Ms. Handy as the voting delegate, with Mr. Schweitzer as alternate, for the CFC annual meeting. Motion by Mr. Schweitzer, supported by Mr. Adams, and carried to approve Ms. Johnson as voting delegate for the NCSC annual meeting.

There were no Wolverine Power Supply Cooperative matters to be discussed.

Mr. Schneider provided a brief update on MECA, including highlights from the rescheduled virtual board meeting as well as his recent legislative advocacy visit to Washington, D.C. as part of the NRECA Legislative Conference.

Board member updates were discussed.

At 12:19 p.m. the board entered Executive Session to discuss legal services. Motion by Mr. Van Pelt, supported by Mr. Adams, and carried to enter Executive Session.

At 12:38 p.m. the board ended Executive Session by motion of Mr. Schweitzer, 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 12:39 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.

