

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

August 25, 2025

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on August 25, 2025.

Meeting was called to order at 9:01 a.m. by President Schneider.

Present: Gabe Schneider, President
Valarie Handy, Sr. Vice President
Melinda Lautner, Secretary
Dean Adams, Treasurer (attended remotely)
Terry Lautner
David Schweitzer
Thomas Van Pelt
Rachel Johnson, CEO
Shannon Beery, Assistant Secretary

Mr. Brad Pavwoski, CFO; Mr. Frank Siepker, COO; Ms. Deidra Charnes, Director of Human Resources; and Ms. Courtney Doyle, Communications & Member Relations Manager, joined the meeting.

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

The July meeting minutes for the regular board meeting were discussed. Motion by Ms. Handy, supported by Mr. Lautner, and carried to approve the minutes of the regular board meeting, held on July 28, 2025.

No members were present for public input.

Upcoming meetings were discussed.

Mr. Pavwoski presented results from the 2024 Key Ratio Trend Analysis. This annual data, gathered and summarized from CFC, measures Cherryland's key financial ratios and other cooperative-specific information against those of other co-ops in the state and of similar size across the country. The overall results position Cherryland once again as leaders, specifically in measurements of reliability, leanness, and financial efficiency. Mr. Pavwoski indicated the results of these KRTAs positively reaffirm the strategy the cooperative took with regards to rates last year. The board posed questions related to the data presented and Mr. Pavwoski provided answers regarding same.

Ms. Johnson gave a presentation on the cooperative's 3-Year Impact Plan. The result of many months of work by staff and ongoing review by the board, the Impact Plan summarizes the focus of the cooperative through 2028 into 6 main areas: Data Analytics, Cooperative Equity & Financial Management, Rate Design & Cooperative Cost Analysis, Member Experience, Artificial Intelligence, and Cooperative Headquarter Facilities. Ms. Johnson indicated that this plan serves as a roadmap for the cooperative's next three years and will be assessed midterm to determine any needs for reprioritization for the second half of implementation. President Schneider commended the hard work of all employees who dedicated time and effort into developing this plan. Mr. Schweitzer added that he appreciates the agility of the plan, which echoes the cooperative's nimble nature and supports its ongoing position of leading the way. Ms. Johnson reiterated her appreciation to the board in allowing the team to put this together internally. She is proud of the end product, and the plan is a testament to the capabilities of the team.

Ms. Johnson then introduced a concept for tracking and reporting key performance indicators to the board, which will also serve to support the milestones built into the Impact Plan. The board engaged in a meaningful discussion on what they would like to see in this performance dashboard and Ms. Johnson requested further feedback from them as specific KPIs are identified for measurement.

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

Mr. Siepker provided updates to the board regarding the facilities planning process. Land split has been completed, and the developer will be presenting introductory plans at the September 10, 2025 township meeting. Design development plans have been finalized, and construction cost estimating is underway.

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

The board recessed for a break at 10:50 a.m. and reconvened at 11:00 a.m.

Ms. Johnson discussed her CEO report. She provided an update on the cooperative's economic development loan program, indicating some interest from potential borrowers. In addition to providing a political update, Ms. Johnson indicated she and President Schweitzer attended a recent event hosted by Senator John Damoose. She discussed recent developments regarding a potential new commercial load. Finally, Ms. Johnson indicated that summer hours would conclude at the end of August and business hours would return to normal 5-day operation following Labor Day. She expressed her gratitude to the board for the opportunity to adjust hours to better serve the cooperative's members and staff.

With a motion by Ms. Handy, supported by Ms. Lautner, and carried, the board approved the 3-Year Impact Plan as presented.

Nominations for two board members, one director and one employee, were needed to serve a one-year term on the Spartan Renewable Board. Motion by Ms. Lautner, supported by Ms. Handy, and carried to recommend for nomination Terry Lautner and Frank Siepker as candidates for election.

Board of Directors Meeting – August 25, 2025

Voting delegates were needed for the CFC District 4 Meeting and the Federated Director Election. Motion by Ms. Lautner, supported by Ms. Handy, and carried to approve Mr. Lautner as voting delegate and Mr. Van Pelt as alternate for same.

Wolverine Power Supply Cooperative matters were discussed.

Mr. Schneider provided a brief update on MECA, including MECA board succession.

Board member updates were discussed.

At 11:19 a.m. the board entered Executive Session to discuss CEO evaluation and compensation package. Motion by Mr. Van Pelt, supported by Mr. Schweitzer, and carried to enter Executive Session.

At 12:11 p.m. the board ended Executive Session by unanimous consent.

Following Executive Session, motion by Mr. Van Pelt, supported by Mr. Lautner, and carried to ratify the CEO salary increase toward target amount, effective November 2025.

There being no further business to come before the board, it was moved to adjourn, supported, and carried. Meeting adjourned at 12:12 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.
