

SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

September 22, 2025

A special meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on September 22, 2025.

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
 Dean Adams, Treasurer
 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; Ms. Courtney Doyle, Communications & Member Relations Manager; Mr. Patrick Ellis, General Counsel; and Ms. Tammy Haworth, Energy Use Advisor, joined the meeting.

President Schneider reviewed the board agenda. Motion by Ms. Handy, supported by Mr. Van Pelt, and carried to approve the agenda as presented.

President Schneider opened the public meeting regarding the cooperative's proposed Energy Waste Reduction surcharge at 9:02 a.m.

Member, Joel Wright, was present for public input.

Courtney Doyle, Communications & Member Relations Manager, outlined a proposed surcharge mechanism needed to administer the cooperative's proposed Energy Waste Reduction (EWR) Plan. This plan was developed in conjunction with a third-party contractor to meet the mandates of Michigan Public Act 229 of 2023, which goes into effect January 1, 2026, and requires Michigan electric and gas utilities to implement EWR programs to incentivize energy efficiency measures that result in mandated energy/kilowatt hour savings. The proposed 'MI PA of 2023' surcharge acts as a flexible billing mechanism that ensures the cooperative only collects what is needed to fund the EWR program. Ms. Johnson added context from historical related legislation, noting the previous energy savings mandate has been out of effect since 2021; however, the legislation was reinstated in 2023 with increased targets, which go into effect next year. The board posed questions related to actual realized energy savings versus administrative savings and expressed their displeasure with legislation that increases costs without verifiable energy savings. President Schneider acknowledged the hard work of Ms. Doyle and Energy Use Advisor, Tammy Haworth, to get the cooperative to this solution. Motion by Mr. Schweitzer, supported by Ms. Lautner, and carried to approve the Energy Waste Reduction surcharge as proposed and documented in Section D of Rate Book No. 5, Cherryland Electric Cooperative.

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President Schneider closed the public meeting at 9:26 a.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 special meeting of the Board of Directors of said Cooperative and each and every step taken and performed thereat.

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

September 22, 2025

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on September 22, 2025.

Meeting was called to order at 9:32 a.m. by President Schneider.

Present: Gabe Schneider, President
Valarie Handy, Sr. Vice President
Melinda Lautner, Secretary
Dean Adams, Treasurer
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; Ms. Courtney Doyle, Communications & Member Relations Manager; Mr. Jeff Puffer, Safety & Operations Manager; Ms. Megan Girard, Safety Coordinator; and Mr. Pat Ellis, General Counsel, joined the meeting.

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

The August meeting minutes for the regular board meeting were discussed. Motion by Ms. Lautner, supported by Mr. Van Pelt, and carried to approve the minutes of the regular board meeting, held on August 25, 2025.

No members were present for public input.

Upcoming meetings were discussed.

Mr. Puffer provided the board with a safety update. He reiterated Cherryland's commitment to safety and the cooperative's noteworthy culture of reporting every incident, whether or not it may be OSHA-reportable. This policy of open communication and ongoing safety training encourage staff to prioritize safety within the organization and for its members. Mr. Puffer presented key safety metrics as well as the cooperative's goals for each. Mr. Schneider inquired as to how the board can assist with promoting safety at Cherryland and Mr. Puffer indicated ongoing investments in safety programming, current equipment, and new facilities will have significant impact. Finally, Ms. Johnson provided an update on hazard reporting policies and

procedures. A recent incident was reviewed and updates to training procedures for the cooperative's after hours call center and dispatchers were discussed. Mr. Puffer and Ms. Girard gave an update on how the cooperative trains local fire departments and emergency responders to safely manage incidents involving downed power lines.

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. Rezoning plans were presented to Garfield Township with positive feedback. This will move to public hearing in October. Ms. Johnson indicated that under the authorization granted to her by board resolution 2024-3, she will be executing an amendment to the current design development contract with Cunningham-Limp, allowing for their team to move into the construction document phase of the project. Mr. Siepker presented updated cost estimates following the design development phase. These fall closely in line with initial estimates from the schematic design phase and include bids from several subcontractors. Ms. Johnson indicated next steps in the process, including a facility workshop with the board in December, proceeding with the construction drawings phase, and closing on the land in 2026, pending township approvals. The board posed questions regarding township approval process and property taxes, and staff answered same.

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, highlighting some interest from prospective borrowers as well as notifying the board that Pro Image Design had recently closed on their loan. Ms. Johnson gave a policy update regarding proposed FEMA reform and its implications within Michigan following the recent ice storm. She also discussed New ERA grant developments and other Wolverine matters.

The board recessed for a break at 11:04 a.m. and reconvened at 11:12 a.m.

Following the morning's earlier special meeting, and with a motion by Mr. Schweitzer, supported by Ms. Lautner, and carried, the board approved the Energy Waste Reduction Plan as presented.

Mr. Pavwoski presented two options for 2025 capital credit retirement to the board. After some board and staff discussion, the option to retire \$500,141.57 in capital credits was decided upon. Motion by Mr. Lautner, supported by Mr. Schweitzer, and carried to approve a capital credit retirement not to exceed \$500,141.57. This includes a partial retirement of year 2024 Wolverine patronage capital, and a partial retirement of 2004 Wolverine patronage capital. Credits will appear on members' December bills.

With recent updates to the cooperative's employee handbook, staff recommended changes to the cooperative's policies regarding gap insurance and retiree life insurance to better reflect current practice and reduce the cooperative's financial liability. Motion by Mr. Schweitzer, supported by Ms. Handy, and carried to approve the amendments as presented regarding gap insurance; and motion by Mr. Schweitzer, supported by Mr. Van Pelt, and carried to approve the amendments as presented regarding retiree life insurance.

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With a motion by Mr. Van Pelt, supported by Mr. Schweitzer, and carried, the board approved Ms. Handy and Mr. Adams' attendance at the Wolverine Wired training event in November.

Voting delegates were needed for MECA's Annual Meeting. Motion by Ms. Lautner, supported by Mr. Van Pelt, and carried to approve Ms. Johnson as voting delegate for same.

Wolverine Power Supply Cooperative matters were discussed.

Mr. Schneider provided a brief update on MECA, including plans for the upcoming Annual Meeting and contract negotiations with a prospective member.

Board member updates were discussed. Mr. Schneider applauded Ms. Johnson's recent appearance at the NRECA Region 1 & 4 Meeting in Providence, Rhode Island, and other board attendees commented on the positive feedback they received from others regarding her presentation.

At 11:30 a.m., Beth Melcher, owner of MoneyFit LLC, and Lori Van Antwerp, Vice President of Commercial Banking at West Shore Bank, presented a proposal to the board to secure a Rural Economic Development loan. The board asked questions regarding the scope of the project, business outlook, and financials. President Schneider thanked Ms. Melcher and Ms. Van Antwerp for their interest in the loan program prior to them leaving the meeting at 11:50 a.m. The board continued their discussion and agreed upon the terms of the loan offer. Motion by Ms. Handy, supported by Mr. Van Pelt, and carried to approve the loan offer to MoneyFit LLC.

There being no further business to come before the board, it was moved to adjourn, supported, and carried. Meeting adjourned at 12:04 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.
