

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

October 27, 2025

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on October 27, 2025.

Meeting was called to order at 8:57 a.m. by President Schneider.

Present: Gabe Schneider, President
Valarie Handy, Sr. Vice President
Melinda Lautner, Secretary
Dean Adams, Treasurer (attended virtually)
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. Michelle Beckett, IT Specialist; and Mr. Pat Ellis, General Counsel, joined the meeting.

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

The meeting minutes for September's special board meeting and regular board meeting were discussed. Motion by Mr. Van Pelt, supported by Ms. Handy, and carried to approve the minutes of the special board meeting and regular board meeting, both held on September 22, 2025.

No members were present for public input.

Upcoming meetings were discussed.

Mr. Siepker presented the 2026 Capital Budget to the board. Overall, the proposed budget comes in under 2025 spending, despite rising cost pressures. With last year's significant technology projects largely complete, this year's budget focuses on continued plant investments as well as anticipated expenditures related to the co-op's new facility project. The board discussed the proposed budget and asked questions regarding same. Ms. Johnson commended the work of Mr. Siepker in developing this budget and explained that Cherryland is in an enviable position among other co-ops thanks to the investments in our system, as authorized by the board. The board will take action regarding the 2026 Capital Budget in November.

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. The amendment to the contract with Cunningham-Limp has been signed, authorizing their team to move into the construction document phase. Garfield Township held its public hearing meeting on October 8, 2025. There was no opposition to the rezoning of the co-op's intended parcel. The next step involves the Planning Commission's finding of fact and deliberation meeting in November.

Remaining reports from managers and general counsel were reviewed and discussed. As part of his report, Mr. Ellis indicated he recently attended an NRECA webinar on electromagnetic field liability on behalf of the co-op. He recommended the addition of a low-cost rider on the cooperative's insurance policy to cover against future claims of EMF exposure.

The board recessed for a break at 10:01 a.m. and reconvened at 10:10 a.m.

Ms. Johnson discussed her CEO report. She outlined the cooperative's HR policies as they relate to conflict of interest and how they would apply to any local subcontractors as a part of the new facilities project. Ms. Johnson gave a brief update on the implementation of the cooperative's impact plan and indicated a formal status update will be given in December. She also relayed the recent news that FEMA had denied the state's appeal for category F funding, which is specific to utilities. Ms. Johnson remains hopeful that additional funding is yet to come to the Michigan co-ops impacted by the spring's ice storms. A new CEO has been hired at Wolverine Power Marketing Cooperative; previous CEO, Craig Borr's, last meeting was in October. Finally, Ms. Johnson provided an update on the cooperative's economic development loan program, indicating the recently approved MoneyFit loan would likely close in November.

At 10:20 a.m. the board entered Executive Session to discuss economic development loan matters. Motion by Ms. Lautner, supported by Mr. Van Pelt, and carried to enter Executive Session.

At 10:41 a.m. the board ended Executive Session by motion of Mr. Schweitzer, support by Ms. Lautner, and carry.

The proposed 2026 board meeting calendar was reviewed. Ms. Johnson indicated that due to the early timing of some months' meetings, 2026 board reporting would incorporate a one-month delay. Following no concerns by the board, motion by Mr. Schweitzer, supported by Ms. Handy, and carried to approve the 2026 board meeting calendar.

The 2024 IRS Form 990 was provided for review. President Schneider voiced his appreciation to the board for accurately reporting their monthly hours. Motion by Mr. Schweitzer, supported by Ms. Lautner, and carried to approve the 2024 IRS Form 990.

A voting delegate was needed for CoBank's Special Meeting of Stockholders. Motion by Mr. Lautner, supported by Mr. Schweitzer, and carried to approve Ms. Johnson as voting delegate for same.

Wolverine Power Supply Cooperative matters were discussed.

Board of Directors Meeting – October 27, 2025

Mr. Schneider provided a brief update on MECA, including his preference to be considered as MECA's board chair at the November annual meeting. That meeting will also provide a first read of a post-ice storm report and a vote to welcome Cloverland Electric Cooperative into the membership.

Board member updates were discussed. Ms. Handy provided a verbal report of her recent attendance at the Wolverine Wired event in Cadillac.

There being no further business to come before the board, it was moved to adjourn, supported, and carried. Meeting adjourned at 11:03 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 regular meeting of the Board of Directors of said Cooperative and each and every step taken and performed thereat.

