

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

November 17, 2025

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on November 17, 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
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. Gabriel Corrigan, IT Specialist; and Mr. Pat Ellis, General Counsel, joined the meeting.

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

The meeting minutes for October's regular board meeting were discussed. Motion by Mr. Lautner, supported by Mr. Schweitzer, and carried to approve the minutes of the board meeting, held on October 27, 2025.

No members were present for public input.

Mr. Pavwoski presented the 2026 Operating Budget to the board. Once again, the budget takes a conservative approach, with expectations for moderate revenue increases alongside a possible 8% increase in power costs. Other expenses, including depreciation, property taxes, and general operating costs are also expected to increase, with the biggest increase noted for interest expense at nearly 13%. Despite the increased costs, the cooperative's equity position will improve by 1%. The board discussed the proposed budget and asked questions regarding same. Ms. Johnson indicated that 2026 is somewhat uncertain with the implementation of the EWR mandate and the forthcoming power supply from Palisades but is optimistic nonetheless and reiterated that 2026 will offer key information for planning into 2027 and beyond. President Schneider commended the work of Mr. Pavwoski and the accounting team in preparing the budget and appreciates the conservative approach. The board will take action regarding the 2026 Operating Budget in December.

Mr. Van Pelt provided an overview of the recent work conducted by the Board Policy Review Committee and detailed its recommendations regarding a number of board policies. The board engaged in much discussion, with the committee and Mr. Ellis providing additional input and answering questions regarding the review. President Schneider and Mr. Schweitzer commended the work of the committee, and committee members acknowledged the additional administrative support provided by Ms. Beery. The following action was taken:

- Motion by Ms. Handy, supported by Ms. Lautner, and carried to adopt Board Policy 113, Appendix C as presented, to be effective immediately.
- Motion by Ms. Handy, supported by Mr. Schweitzer, and carried to adopt Board Policy 117 as amended, to be effective immediately.
- Motion by Ms. Handy, supported by Mr. Lautner, and carried to adopt Board Policy 122 as presented, to be effective January 1, 2026.
- Motion by Ms. Handy, supported by Mr. Schweitzer, and carried to adopt Board Policies 133 and 134 as presented, to be effective immediately.

Board policy 113, Appendix D will be further amended and reviewed in December.

Upcoming meetings were discussed. The 88th Annual Meeting will be held on Thursday, June 11, 2026 at Incredible Mo's.

The board recessed for a break at 10:05 a.m. and reconvened at 10:16 a.m.

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 'finding of fact' meeting with Garfield Township's Planning Commission was successful, with the cooperative's zoning change request passing unanimously. The commission has recommended that the township board approve the rezoning request in December or January. Design-build partner, Cunningham-Limp will join the board in December to provide a project update.

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, indicating that the MoneyFit loan had not yet closed and would be amended to reflect the borrower as Ms. Beth Melcher's real estate holding company in lieu of MoneyFit. Both entities are 100% owned by Ms. Melcher. Ms. Johnson gave a brief update from MECA's recent annual meeting, including plans for statewide storm response, a Michigan NISC user group, and extreme weather disconnect policies. She also provided insight into cooperative plans for amendments to rate book tariffs as they relate to prospective data center needs and load size caps. Finally, Ms. Johnson indicated that her NRECA board member duties will kick off in December with her attending director orientation.

At 10:55 a.m. the board entered Executive Session to discuss economic development loan matters. Motion by Mr. Van Pelt, supported by Ms. Handy, and carried to enter Executive Session.

At 11:11 a.m. the board ended Executive Session by motion of Ms. Lautner, support by Mr. Van Pelt, and carry.

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Motion by Mr. Schweitzer, supported by Ms. Lautner, and carried to approve the full write-off of the defaulted loan of Grand Traverse Foodshed Alliance.

Mr. Siepker presented a recap of the proposed 2026 Capital Budget which was presented to the board in October. Motion by Mr. Schweitzer, supported by Mr. Adams, and carried to approve the 2026 Capital Budget as presented.

Wolverine Power Supply Cooperative matters were discussed.

President Schneider provided a brief update on MECA, including the results of the officer election at its recent annual meeting. He was successful in his bid to become board chair and was elected same alongside Mr. Shaun Lamp (Great Lakes Energy) as vice-chair and Mr. Mike Furmanski (Alger Delta) as treasurer/secretary. Also at the annual meeting, Cloverland Electric Cooperative was approved to rejoin the membership of MECA.

Board member updates were discussed.

The board recessed for an additional break at 11:24 a.m. and reconvened at 11:34 a.m.

At 11:34 a.m. the board entered Executive Session to discuss legal services. Motion by Mr. Van Pelt, supported by Ms. Handy, and carried to enter Executive Session.

At 12:18 p.m. the board ended Executive Session by motion of Mr. Schweitzer, support by Mr. Van Pelt, and carry.

There being no further business to come before the board, it was moved to adjourn, supported, and carried. Meeting adjourned at 12:18 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.
