

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

April 20, 2026

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on April 20, 2026.

Meeting was called to order at 9:09 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. Courtney Doyle, Communications & Member Relations Manager; and Mr. Jason Hanselman, 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.

President Schneider called for a motion of the Consent Agenda. Ms. Handy identified a minor typographical error in the March 23, 2026 board meeting minutes. Motion by Ms. Handy, support by Ms. Lautner, and carried to approve the Consent Agenda, including the amendment to the board meeting minutes.

No members were present for public input.

Upcoming meetings were discussed.

Mr. Pavwoski delivered a presentation on the cooperative's 10-year financial forecast, which outlined projected costs and revenue requirements associated with upcoming capital investments, including the construction of the new headquarters. The forecast is based upon conservative assumptions and provides flexibility over a range of scenarios in order to maintain strong financial health for the cooperative and its members. Mr. Pavwoski addressed key cost drivers and debt management considerations, as well as general revenue needs and estimated future rate adjustments. The board discussed the timing of upcoming investments and revenue impacts from recent rate changes. Staff noted the forecast has been intentionally structured as a conservative baseline and will be updated following further definition of future cooperative costs. President Schneider commended the work of Mr. Pavwoski in compiling the financial

forecast and acknowledged the pragmatic approach, with Mr. Van Pelt, Mr. Lautner, and Mr. Schweitzer adding their appreciation for the thoughtful work and for the flexibility and conservative nature of the forecast's assumptions. The board reiterated its support for the new headquarters project, noting delaying construction will result in increased costs in the future.

Mr. Pavwoski continued with an overview of staff's recommendations for an updated capital credit retirement strategy. The new strategy seeks to align payments with allocation sources, and for cooperative retirements, distribute these evenly over a specific time period, and adjust capital credit percentage distributions so that every active member receives a portion of the year's retirement. Ms. Johnson praised Mr. Pavwoski for the creativity, and the board discussed their approval of this recommendation, noting it to be an effective and common-sense approach. Staff will work with Mr. Hanselman and the Board Policy Committee to update the capital credit policy, preparing it for full board approval this summer.

Facilities drafts were discussed. Mr. Hanselman provided an overview of a draft resolution, extending Ms. Johnson's authority to amend the construction contract with Cunningham-Limp and adding governance controls including a defined maximum total financial commitment, monthly reporting requirements, and the appointment of Mr. Adams as the board's construction liaison. The resolution will be finalized with Guaranteed Maximum Price and necessary contingencies and brought to the board for approval in May. In continued discussions, Ms. Johnson and Mr. Siepker covered proposed monthly reporting for the new headquarters construction project, offering a preview of a sample monthly reporting packet. The board discussed GMP framework and reporting methods and frequency, with Mr. Siepker providing clarification regarding same. Representatives from Cunningham-Limp will be present at May's board meeting to answer any remaining construction questions.

Mr. Siepker provided a brief update on the facilities planning process. The subcontractor bid process is currently underway with bids due at the end of April. Staff will meet with Cunningham-Limp in early May to review selected contractors. Mr. Siepker and Ms. Johnson will be meeting with developer and township in late April to discuss next steps for utility work and road construction. The board posed questions regarding road construction timing and Mr. Siepker answered same.

The general counsel report was reviewed and discussed. Mr. Hanselman noted the Election & Credentials Committee will be meeting with him following the day's board meeting to cover an orientation for the committee.

The board recessed for a break at 10:24 a.m. and reconvened at 10:50 a.m.

The March board report and February financials were discussed.

Ms. Johnson discussed her CEO report. She provided an update to the board on the economic development loan program and indicated upcoming travel on behalf of the cooperative, including advocacy work in Washington, D.C. during NRECA's Legislative Conference later in April. Ms. Johnson gave an update on load opportunities and ongoing business with Wolverine Power Supply Cooperative. She also indicated union negotiation preparation is underway with negotiations to begin in the summer. Finally, Ms. Johnson shared the news of the recent passing of NRECA's Safety Director, Ken Macken.

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Wolverine Power Supply Cooperative matters were discussed. Ms. Handy will attend Wolverine’s May board meeting as a director guest.

President Schneider provided a brief update on MECA. The annual MECA Symposium event was a success, and President Schneider was appreciative to have met with other MECA cooperative board chairs while in attendance. He will be representing both MECA and the cooperative in Washington, D.C. for NRECA Legislative Conference.

Board member updates were discussed.

At 11:13 a.m. the board entered Executive Session to discuss CEO contract matters. Motion by Ms. Handy, supported by Mr. Van Pelt, and carried to enter Executive Session.

At 11:25 a.m. the board ended Executive Session by motion of Mr. Lautner, support by Mr. Schweitzer, and carried.

There being no further business to come before the board, it was moved to adjourn, supported, and carried. Meeting adjourned at 11:25 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.

