MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

July 27, 2026

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on July 27, 2026.

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
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; Ms. Deidra Charnes, Director of Human Resources; Mr. Jason Rice, Metering Supervisor; and Mr. Jeff Puffer, Safety & Operations Manager, 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. Motion by Ms. Handy, support by Ms. Lautner, and carried to approve the Consent Agenda.

No members were present for public input.

Upcoming meetings were discussed.

At 9:04 a.m. the board entered Executive Session to discuss a legal memorandum and an analysis regarding the cooperative's bylaws and the board's policy regarding conflicts of interest. Motion by Mr. Schweitzer, supported by Ms. Handy, and carried to enter Executive Session.

At 9:24 a.m. the board ended Executive Session by motion of Mr. Schweitzer, support by Ms. Lautner, and carried.

Following Executive Session, the board continued its discussion regarding conflict of interest governance. Mr. Hanselman summarized his legal review and indicated he does not believe a conflict of interest currently exists for any board member under the cooperative's bylaws and policies but reminded board members the importance of ensuring that no actual or perceived conflicts of interest exist with regard to each board members' employment.

The board recessed for a break at 9:32 a.m. and reconvened at 9:35 a.m.

Mr. Jake Thomas of GDS Associates joined the meeting to present the results of the cooperative's Cost of Service Study. Mr. Thomas reviewed rate-setting methodology, revenue requirements, and the relationship between costs and future rate design. Based upon the study's results, he presented recommendations for a 2027 rate adjustment and discussed the cooperative's continued competitive position within Michigan despite industry-wide cost pressures. The board engaged in discussion regarding long-term revenue needs, rate stability, member preferences, and future rate design considerations. Ms. Johnson noted the cooperative remains among the most affordable in the state, while continuing to deliver industry-leading reliability. The proposed rate increase will come before the membership during September's member regulation process.

Mr. Rice and Mr. Hanselman provided an overview of a new proposed tariff for very large loads. The tariff is intended to establish requirements for prospective members with electric loads over 10MW. It addresses application procedures, cost responsibilities, and system planning requirements for the member applicant. The board posed questions regarding examples of qualifying loads and system capacity, with Mr. Siepker answering same. Ms. Johnson indicated the tariff was developed in coordination with Dykema and Wolverine Power Cooperative and is expected to be brought for consideration before all Michigan cooperatives. Mr. Schweitzer highlighted the importance of clear member communications surrounding the proposed tariff. The new tariff will be considered during September's member rate hearing.

The board recessed for a break at 10:45 a.m. and reconvened at 10:55 a.m.

Mr. Puffer presented a recap of the cooperative's recent RESAP assessment and Federated safety audit. He reported the cooperative achieved one of its strongest RESAP results to date and recognized employees for their continued commitment to safety. Mr. Puffer discussed opportunities for continued improvement and audit recommendations, emphasizing the cooperative's culture of encouraging employees to report all incidents and hazards. President Schneider commended Mr. Puffer and the entire team for their continued dedication to the cooperative's strong safety record.

The June board report and May financials were discussed.

Mr. Siepker provided an update on the facilities planning process. Permitting is underway with final approvals of fire plan, soil erosion, stormwater, and land use expected in the coming weeks. Preparations continue for the start of construction activities, with the cooperative's groundbreaking ceremony scheduled for later in the day.

The general counsel report was reviewed and discussed.

Ms. Johnson discussed her CEO report. She provided an update on the Economic Development Loan Program, including prospective loan inquiries. She also indicated the approved loan with the GT Bay YMCA would be closing within the month. Ms. Johnson highlighted recent advocacy efforts at the state and federal levels and discussed ongoing conversations for new projects. Finally, she advised the board of upcoming vacation plans.

At 11:27 a.m. the board entered Executive Session to receive an update regarding collective bargaining. Motion by Mr. Lautner, supported by Mr. Adams, and carried to enter Executive Session.

At 11:57 a.m. the board ended Executive Session by motion of Ms. Lautner, support by Mr. Lautner, and carried.

Voting delegates were needed for the NRECA Regions 1 & 4 Business Meeting. Motion by Ms. Handy, supported by Mr. Adams, and carried to approve Ms. Lautner as voting delegate and Mr. Van Pelt as alternate for same.

Wolverine Power Supply Cooperative matters were discussed.

President Schneider provided an update on MECA, including ongoing advocacy efforts related to the proposed Mop Up Michigan ballot initiative and the association's participation in a coalition opposing the proposal. He also discussed upcoming MECA meetings and continued legislative priorities.

Board member updates were discussed.

The board recessed for a break at 12:05 p.m. and reconvened at 12:13 p.m.

At 12:13 p.m. the board entered Executive Session to discuss CEO evaluation process. Motion by Ms. Handy, supported by Mr. Van Pelt, and carried to enter Executive Session.

At 12:46 p.m. the board ended Executive Session by motion of Mr. Schweitzer, support by Mr. Van Pelt, and carried.

There being no further business to come before the board, it was moved to adjourn, supported, and carried. Meeting adjourned at 12:46 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.

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