

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

August 24, 2026

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on August 24, 2026.

Meeting was called to order at 8:58 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 Hanselman, General Counsel, Mr. Adam Bahri, Data Analyst; Mr. Chris Vermeulen, Engineering & IT Manager; Ms. Sonya Sias, Member Services Supervisor; and Mr. Mike Stave, Billing Specialist, joined the meeting.

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

President Schneider called for a motion of the Consent Agenda. Motion by Ms. Lautner, support by Ms. Handy, and carried to approve the Consent Agenda.

No members were present for public input.

Upcoming meetings were discussed.

Ms. Johnson provided a brief reminder of the cooperative's Impact Plan goals surrounding data analytics and artificial intelligence and introduced a pilot project being developed by Mr. Adam Bahri and Mr. Chris Vermeulen. The pair presented the AI predictive modeling tool, designed to help anticipate the likelihood, severity, timing, and operational impacts of approaching storms. Built upon historical cooperative system and weather data, the model seeks to provide timely, data-driven insight to assist dispatch staff in making mutual aid and crew deployment decisions. Mr. Bahri demonstrated the dashboard and discussed ongoing testing and retraining, which will improve the model's accuracy over time. The board posed several questions regarding operational use, system changes, and using the tool for member communications, with Mr.

Bahri and Mr. Vermeulen answering same. President Schneider and other board members commended Mr. Bahri for his expertise and hard work in developing the tool.

Ms. Sonya Sias and Mr. Mike Stave presented a proposed prepaid billing program, which would provide residential members with an additional option for managing electric usage and payments. The program leverages the cooperative's new metering system to allow participating members to maintain a prepaid account balance, which would be drawn against as they consume power. In the case a member's balance becomes low, the member would be delivered an automated notification, allowing for them to self-adjust energy consumption and make additional payments as needed. Ms. Sias identified the program's potential to provide greater flexibility for members, offering alternatives to traditional disconnection fees or deposit requirements. In turn, the program would offer the cooperative a reduction in bad debt expenses. Mr. Stave highlighted implementation and program requirements, after which the board engaged in thoughtful discussion. Ms. Johnson indicated a tariff outlining the prepaid billing program will be brought to the board for consideration during September's rate hearing.

Mr. Pavwoski presented results from the 2025 Key Ratio Trend Analysis. This annual data, gathered and summarized by CFC, measures Cherryland's key financial ratios and other cooperative-specific information against those of other co-ops in the state and of similar size across the country. Results continue to demonstrate consistent growth, positioning Cherryland as a leader and reaffirming the co-op's lean staffing and efficient operations. Mr. Pavwoski also discussed the relationship between power costs and operating expenses, as well as energy sales and overall revenue. The board posed questions related to the data presented and Mr. Pavwoski provided answers regarding same.

The board recessed for a break at 10:12 a.m. and reconvened at 10:26 a.m.

Ms. Charnes provided an overview of the recently completed collective bargaining negotiations and reviewed the proposed agreement. She highlighted changes benefiting represented employees as well as provisions providing additional flexibility to cooperative management. Overall, the new agreement represents a reduction in contract costs compared to the previous agreement. Ms. Johnson congratulated the negotiating team on completing the process collaboratively over three meetings without the need for outside union representation. President Schneider commended the work of the team and noted the successful negotiations reflect positively on the cooperative's workplace culture.

The July board report and June financials were discussed.

Mr. Siepker provided an update on the facilities planning process. Permitting continues slowly with final approvals for soil erosion, stormwater, land use, and building permits anticipated soon. Once all permits have been awarded, groundwork may officially begin. Planning for external finishes and interior furnishings is also underway.

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 the status of an outstanding borrower payment and two recent loan inquiries. Ms. Johnson also discussed ongoing advocacy work surrounding proposed MPSC storm reporting requirements and MECA's efforts to establish reporting expectations that

appropriately account for storm size and cooperatives' scales of operations. She provided an update regarding a proposed ballot initiative affecting political action committee contributions and indicated the cooperative will continue monitoring its potential implications. Finally, Ms. Johnson discussed upcoming travel and community board involvement.

To reflect recent capital credit strategy recommendations by Mr. Pavwoski, amendments to Board Policy #137 – Capital Credits were presented for approval. Motion by Ms. Handy, supported by Mr. Adams, and carried to approve revised Board Policy 137 as presented.

The Audit Committee met prior to the board meeting to review proposals for the cooperative's next five-year audit engagement. Following its review, the committee recommended continuing with Rehmann, noting the benefits of continuity, rotating audit leadership, onsite audit work, and support for internal staff capacity. Motion by Mr. Van Pelt, supported by Ms. Lautner, and carried to approve the recommendation for auditor engagement with Rehmann.

Following Ms. Charnes' earlier presentation regarding collective bargaining, motion by Mr. Lautner, supported by Ms. Handy, and carried to approve the Collective Bargaining Agreement as presented.

A voting delegate was needed for the CFC District 4 Meeting. Motion by Ms. Lautner, supported by Ms. Handy, and carried to approve Ms. Johnson as voting delegate for same.

Wolverine Power Supply Cooperative matters were discussed.

President Schneider provided an update on MECA, including recent discussions regarding statewide storm readiness and the ability of cooperatives to quickly provide additional support during major events. MECA is developing expanded options for mutual assistance beyond traditional line crew support, allowing cooperatives to more quickly identify and request resources needed during significant storm response.

Board member updates were discussed. Mr. Schweitzer recognized Mr. Josh Hamilton, Right of Way Specialist, for his recent assistance in helping a member better understand the cooperative's tree trimming practices.

At 11:32 a.m. the board entered Executive Session to discuss CEO review. Motion by Ms. Handy, supported by Mr. Van Pelt, and carried to enter Executive Session.

At 12:51 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 12:51 p.m.

Gabe Schneider, President

Melinda Lautner, Secretary

Board of Directors Meeting – August 24, 2026

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.

_____	_____
_____	_____
_____	_____
