

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

February 19, 2007

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on February 19, 2007.

Meeting was called to order at 9:00 a.m. by President Olson.

Present: John Olson, President
 Terry Lautner, Sr. Vice President
 Melinda Lautner, Secretary
 John Pope, Treasurer
 Bill Hoxie
 Laverne Maginity
 Betty Reynolds-Maciejewski
 Tom Van Pelt
 Tony Anderson, General Manager
 Pat Barone, Assistant Secretary

Mr. Mark Wilson, Chief Financial Officer; Mr. Frank Siepker, Engineering Manager; Mr. Kevin Cragg, Member Service Manager; and Mr. Nick Edson, Key Accounts Representative, joined the meeting.

Retirees John Rockershausen, Jack Roemer, Ed Hall, Dick Carmien and Ted McManus joined the meeting to discuss retiree medical benefits. The consensus was to leave the new board policy, Board Policy No. 408, Medical Insurance - Retirement, as is. The retiree group is to get back with the board on the results of their discussion on how they can work together to form their own group wholly separate from Cherryland Electric Cooperative.

President Olson reviewed the board agenda. Mr. Hoxie asked to be excused from the March board meeting.

Motion by Mrs. Reynolds-Maciejewski, supported by Mr. Van Pelt and carried to approve the agenda and the minutes of the regular board meeting held on January 15, 2007, and to approve the revised minutes of the regular board meeting held on December 18, 2006.

Upcoming meetings and events were discussed.

Board of Directors Meeting - February 19, 2007

The following board members were appointed as voting representatives for the upcoming NRECA Annual Meeting: CFC - Mrs. Reynolds-Maciejewski, voting delegate; Mr. Van Pelt, alternate; Federated - Mr. Van Pelt, voting delegate; Mrs. Reynolds-Maciejewski, alternate; NCSC - Mr. Van Pelt, voting delegate; Mrs. Reynolds-Maciejewski, alternate; and NISC - Mrs. Reynolds-Maciejewski, voting delegate; Mr. Van Pelt, alternate.

President Olson, Mr. Hoxie, Mrs. Lautner, Mr. Pope and Mrs. Reynolds-Maciejewski gave a report on their attendance at the NRECA Directors' Conference.

Mr. Wilson, Chief Financial Officer, reviewed the financials. Mr. Wilson informed the board the audit should be completed sometime in March, with financials available to the board in April.

Attorney Chambers gave his legal report -- review of CFC loan documentation and preparation of opinion letter and title search on the easement for the Silver Lake Road project.

Discussion followed on the board vacancy created by the death of Mr. Nordbeck. Motion by Mr. Lautner, supported by Mrs. Lautner and carried not to fill the seat vacated by Mr. Nordbeck.

Motion by Mr. Lautner, supported by Mr. Van Pelt and carried to allow Mrs. Nordbeck to keep the computer provided by Cherryland Electric Cooperative to Mr. Nordbeck while he was a board member.

The board recessed for lunch at 11:59 a.m. and resumed at 12:31 p.m.

Wolverine board minutes were discussed. Mrs. Reynolds-Maciejewski and Mr. Pope reported on power supply issues, including an update on Prairie State and the transmission system.

President Olson gave a report on Spartan Renewable Energy. They are developing a business plan and have a recommendation for director per diem that will be presented to the Wolverine board in February.

Manager reports were reviewed and discussed. Mrs. Reynolds-Maciejewski would like a breakdown of vehicles, i.e., year, make and department.

Motion by Mrs. Reynolds-Maciejewski, supported by Mr. Maginity and carried to approve management reports, including the safety report, as presented.

Manager Anderson reviewed his strategic planning proposal. The board felt it was a great idea and suggested adding disaster planning and flexibility of policies to the agenda.

The board went into executive session at 1:29 p.m. and reconvened at 2:26 p.m.

Board of Directors Meeting - February 19, 2007

The board voted to approve a change to Manager Anderson's compensation, as outlined in a letter to the Human Resources Department.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 2:33 p.m.

John Olson, 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.

