

MEETING OF THE BOARD OF DIRECTORS  
OF  
CHERRYLAND ELECTRIC COOPERATIVE

February 23, 2009

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The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on February 23, 2009.

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

Present: Tom Van Pelt, President  
Terry Lautner, Sr. Vice President  
Melinda Lautner, Secretary  
John Pope, Treasurer  
Rick Deneweth  
Betty Maciejewski  
John Olson  
Tony Anderson, General Manager  
Pat Barone, Assistant Secretary

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

President Van Pelt reviewed the board agenda. LED Light presentation was added under Special Presentations and March board meeting was added under Upcoming Meetings and Events.

Motion by Mrs. Lautner, supported by Mr. Lautner and carried to approve the minutes of the regular board meeting held on January 19, 2009.

Mr. Wilson, Chief Financial Officer, reviewed the financials.

Mr. Wilson distributed the new Form 990 questionnaire. Mr. Olson would like a copy of last year's worksheet completed last year. Mr. Wilson will obtain that information from the auditors.

Mrs. Terri Wilson, Regional Vice President of CFC, joined the meeting for a presentation on Member Capital Securities and the future funding needs of CFC.

The board recessed at 10:24 a.m. and reconvened at 10:40 a.m.

Wolverine matters were discussed. Those who took the tour of CLECO after the NRECA Annual Meeting were impressed with the facilities and its operations.

Board of Directors Meeting – February 23, 2009

President Van Pelt, Mrs. Lautner, Mr. Olson and Mrs. Maciejewski gave a report on the NRECA Annual Meeting they attended.

Bill Garey, Energy Use Advisor, joined the meeting for a presentation and discussion on LED lights.

Co-Bank's proxy authorization was discussed. Motion by Mrs. Maciejewski, supported by Mr. Deneweth and carried to authorize Manager Anderson to vote said proxy.

Manager Anderson gave an updated report on Black Star Farms and their application for our zero-interest loan.

Manager reports were reviewed and discussed.

The board recessed for lunch at 12:05 p.m. and reconvened at 12:36 p.m.

Member regulation meetings in April were discussed. Mr. Michael Peters, General Manager of MECA, is working on a policy for public meetings; we should have it for review at the March board meeting.

The issue of internet voting was discussed. There is some concern about security issues. Mr. Pope and Mrs. Maciejewski are attending NRECA's Directors' Conference and will be attending a class regarding internet voting. They will report back at the March board meeting.

The refund of capital credits was discussed. Decision needs to be made on whether we issue a refund check or put the refund on the member's bill. Mr. Anderson and Mr. Cragg will work on a sample bill stuffer to be presented at the March or April board meeting.

Motion by Mr. Pope, supported by Mrs. Lautner and carried to approve management reports, including the safety report, as presented.

President Van Pelt discussed the idea of each director writing an article to be posted on Cherryland's web site. Mr. Cragg to get a breakdown of how many hits to each web site and report at next month's board meeting.

Attorney Chambers report was reviewed.

Upcoming meetings were discussed. A sign-up sheet for the Legislative Conference was circulated. Mr. Olson indicated his interest in attending the Co-Bank meeting in June.

President Van Pelt discussed changing the date of the March board meeting. After discussion, it was decided to leave the meeting as March 16<sup>th</sup>.

Board of Directors Meeting – February 23, 2009

President Van Pelt asked for nominations for Wolverine director for a two-year term. President Van Pelt, Mr. Lautner and Mrs. Lautner were nominated and a secret ballot was cast. Mrs. Lautner was initially declared the winner. Thereafter, there was discussion by the board on Board Policy No. 116, Use of Secret Ballot. By consensus, the board felt that the winning candidate should have 4 votes. Since this had not happened, a runoff was held between Mr. Van Pelt and Mr. Lautner to narrow the field to two candidates. Mr. Lautner was then selected to be on a final ballot with Mrs. Lautner. Mr. Lautner was elected the Wolverine director.

The board went into executive session at 2:00 p.m. and reconvened at 2:21 p.m.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 2:21 p.m.

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Tom Van Pelt, President

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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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