

MEETING OF THE BOARD OF DIRECTORS  
OF  
CHERRYLAND ELECTRIC COOPERATIVE

March 20, 2006

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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 March 20, 2006.

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

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

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

President Lautner reviewed the board agenda. Mr. Hoxie added Teen Days under New Business. Motion by Mr. Olson, supported by Mrs. Reynolds-Maciejewski and carried to approve the agenda, as amended.

Motion by Mr. Van Pelt, supported by Mr. Hoxie and carried to approve the minutes of the regular board meeting held on February 27, 2006.

Upcoming meetings were discussed -- MECA Annual Meeting and Wolverine Annual Meeting.

Manager Anderson gave a presentation on retiree medical insurance. Discussion followed on the future of health care options for retirees. Manager Anderson to prepare graphs with three or four scenarios of different options and also have our Blue Cross agent, Donna DeSoto, make a presentation at an upcoming board meeting and answer any questions the board may have.

Mr. Wilson, Chief Financial Officer, reviewed the financials. Mr. Wilson reported that the audit report is not completed, as we are still waiting for the K-1 for NPI to be filed.

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The question was asked if Cherryland is receiving the full discount from CFC for borrowing 100% of its funds from CFC. Mr. Wilson to check and report at next month's board meeting.

Attorney Chambers' written legal report was reviewed.

Manager Anderson reported on his market review of area attorneys. Consensus of the board is to stay with Attorney Chambers.

Mr. Van Pelt updated the board on Wolverine Power Marketing issues. Their annual meeting was held March 7, 2006. Mr. Van Pelt reported that his position on the board was filled by someone from Dow Chemical and that there are no founding directors left on the Power Marketing board.

Wolverine board minutes were discussed. Mrs. Reynolds-Maciejewski, Mr. Pope and Mr. Van Pelt reported on power supply issues. Manager Anderson reported that representatives of Wolverine have been invited to next month's board meeting to give an update on power supply issues.

The board recessed at 10:27 a.m. and reconvened at 10:44 a.m.

Manager reports were reviewed and discussed. Manager Anderson gave an update on the Great Wolf Lodge and other matters.

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

By unanimous consent, Mr. Olson and President Lautner were appointed voting delegates for the 2006 MECA Annual Meeting. Manager Anderson was appointed as nominee to the MECA board of directors. Mr. Hoxie and Mr. Olson were nominated to serve as members of the board of directors. A secret ballot was cast and by majority vote, Mr. Hoxie was appointed as nominee to the MECA board of directors. Mr. Olson was appointed as alternate nominee to the MECA board of directors.

Mrs. Reynolds-Maciejewski was appointed voting representative for the Wolverine annual meeting.

Mr. Hoxie discussed upcoming Teen Days and the possible need for more gifts from Cherryland. He also felt more office work needed to be done before the actual trip down to Tustin. Manager Anderson to follow up with Leah Olson on these two items. Mr. Hoxie also announced his resignation as chaperone from Teen Days, effective immediately. The board thanked Mr. Hoxie for the time and years he dedicated to the program.

The board went into executive session at 11:26 a.m. and reconvened at 12:35 p.m.

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Motion by Mrs. Reynolds-Maciejewski, supported by Mr. Pope and carried to propose a bylaw change to the membership to reflect the number of board members to be no less than 7 nor no more than 9 and to combine Benzie County with Manistee/Wexford Counties.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 12:37 p.m.

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Terry Lautner, 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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