

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE
May 18, 2009

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on May 18, 2009.

Meeting was called to order at 9:02 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. Kevin Cragg, Member Service Manager; Mr. Jim Carpenter, Line Superintendent; and Mr. Nick Edson, Key Accounts Representative, joined the meeting.

President Van Pelt reviewed the board agenda. Annual meeting was added under New Business.

Motion by Mr. Deneweth, supported by Mr. Lautner and carried to approve the minutes of the regular board meeting held on April 20, 2009.

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

Wolverine matters were discussed. President Van Pelt reported that two more companies signed up with Wolverine Power Marketing.

Manager Anderson reported that one director from Cherryland Electric is invited to be a guest director at Wolverine's board meeting in June and one in December.

The memo from Attorney Hardin to Mr. Karas was reviewed and discussed.

Mrs. Lautner and Manager Anderson gave a report on the NRECA Legislative Conference.

The board recessed at 9:52 a.m. and reconvened at 10:02 a.m.

Mr. Ray Kendra, of CWS Architects, joined the meeting for a presentation on the proposed facilities plan.

The board recessed at 10:59 a.m. and reconvened at 11:07 a.m.

Discussion was held on the facilities plan presentation by Mr. Kendra. Mr. Anderson will do a quantitative analysis and report back to the board in June or July.

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Board Policy No. 121, Cooperative Audit Committee, was reviewed and discussed. Motion by Mr. Lautner, supported by Mrs. Maciejewski and carried to approve said policy, as presented.

The 2009 capital credit refund plan was reviewed and discussed. Motion by Mrs. Maciejewski, supported by Mrs. Lautner and carried to refund \$1,000,000.00 in capital credits in the following manner – 25% of refund for 2007 Cherryland assigned margins and 75% for oldest accounts with Cherryland margins assigned.

The board recessed for lunch at 11:50 a.m. and reconvened at 12:13 p.m.

The handling of Cherryland's upcoming annual meeting was discussed. Manager Anderson reported he has a meeting scheduled for June 1st with Attorney Chambers to review and discuss some possible scenarios.

Manager reports were reviewed and discussed. Conflict resolution with respect to member regulation was discussed. Manager Anderson to review present member input policy and present changes or new policy, if necessary.

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

Attorney Chambers report was reviewed.

Upcoming meetings were discussed. A sign-up sheet for the Michigan Energy Providers Conference was circulated. The meeting will be held July 29-31 at the Grand Hotel on Mackinac Island.

The board went into executive session at 1:05 p.m. and reconvened at 1:49 p.m.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 1:50 p.m.

Tom Van Pelt, 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.
