

MEETING OF THE BOARD OF DIRECTORS  
OF  
CHERRYLAND ELECTRIC COOPERATIVE

July 16, 2007

---

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on July 16, 2007.

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  
Bill Hoxie  
John Olson  
Betty Maciejewski  
Tony Anderson, General Manager  
Pat Barone, Assistant Secretary

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

President Van Pelt reviewed the board agenda. Motion by Mrs. Lautner, supported by Mrs. Maciejewski and carried to approve the agenda, as presented.

Motion by Mrs. Lautner, supported by Mrs. Maciejewski and carried to approve the minutes of the regular board meeting held on June 14, 2007 and the organizational meeting held on June 14, 2007.

Upcoming meetings and events were discussed. Mrs. Maciejewski was appointed voting delegate and Mr. Hoxie was appointed the alternate voting delegate for the NRECA Region IV meeting.

The annual meeting of Cherryland Holdings, Inc. was discussed. President Van Pelt volunteered to fill the vacancy created by Mr. Maginity's retirement. There was no objection noted by the board; therefore, President Van Pelt will fill said vacancy. The meeting is scheduled for Monday, August 20, 2007 immediately following the regular board meeting of Cherryland Electric Cooperative.

Mrs. Lautner, Mrs. Maciejewski and Mr. Van Pelt gave a report on the CFC Forum they attended in June.

Board of Directors Meeting - July 16, 2007

Mr. Wilson, Chief Financial Officer, reviewed the financials. An RFP for audit proposals was mailed the beginning of July, with an expected return date of August 15<sup>th</sup>. The Audit Committee will meet at 8:00 a.m. on August 20<sup>th</sup>, immediately preceding the regular board meeting, for the purpose of reviewing the proposals and selecting an audit firm.

President Olson gave an update on Spartan Energy and the Harvest Wind Farm project. Discussion followed on the allocation of the wind power. Motion by Mr. Lautner, supported by Mr. Pope and carried that the 25 megawatt block belonging to Wolverine be allocated to Spartan Renewable Energy for a period up to 5 years and not increase our rates by putting it in the Wolverine Power Supply mix.

Mr. Olson also reported Spartan Energy is in the process of finalizing their Business Plan.

Wolverine board minutes were discussed. Mrs. Maciejewski and Mr. Pope reported on power supply issues.

The board recessed at 10:29 a.m. and reconvened at 10:41 a.m.

Manager reports were reviewed and discussed. Manager Anderson showed a short PowerPoint on Great Lakes Trim.

With respect to our underground plow crew, the board would like a financial update at next month's board meeting.

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

Discussion on Policy No. 132, Member Voting Procedures. Motion by Mrs. Maciejewski, supported by Mr. Olson and carried to approve the revisions to Policy No. 132. Discussion then followed on Policy No. 133, Recount Procedure. Motion by Mr. Olson, supported by Mr. Lautner and carried to approve the revisions to Policy No. 133. (A copy of both policies is attached hereto.)

Manager Anderson recapped the 2007 annual meeting. He informed the board that next year's ballots will eliminate the member's name and only have the customer number on it. It was also suggested by the board that we try to count the ballots earlier than we have in the past.

It was the consensus of the board to put a message on the bill in January or February reminding our members that their ballot is in the May issue of Country Lines magazine.

The board recessed for lunch at 12:09 p.m. and reconvened at 12:33 p.m.

The board then had a discussion on the size of the board. It was the consensus to leave the number at 7. The positions open for election in 2008 will be Leelanau County and one At-Large position. President Van Pelt will cut his current term short by one year

Board of Directors Meeting - July 16, 2007

and put his position on the ballot next year so that there will always be an At-Large position up for election each year.

Mr. Wilson discussed the Loan Agreement, Resolution, Incumbency Certificate and Organizational Document Certification from CoBank. Motion by Mrs. Maciejewski, supported by Mr. Hoxie and carried to adopt the resolution authorizing the borrowing on a line of credit from CoBank with a dollar limit of \$5 million and authorize Secretary Lautner to execute said documents. Tony Anderson, General Manager of the Cooperative, is authorized to sign the loan documents on behalf of the Cooperative and is designated as the individual authorized to draw down on the line of credit on behalf of the Cooperative.

President Van Pelt reviewed committee assignments and made several changes. Mr. Olson replaces President Van Pelt on the Audit Committee and Mr. Pope was added to the Planning/Policy Committee to replace Mr. Maginity. The Planning/Policy Committee was instructed to work with Manager Anderson regarding the management audit/review. A copy of the new committee assignments is attached hereto.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 1:07 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.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_