

MEETING OF THE BOARD OF DIRECTORS

OF

CHERRYLAND ELECTRIC COOPERATIVE

July 20, 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 July 20, 2009.

Meeting was called to order at 9:01 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

Mr. Mark Wilson, Chief Financial Officer; Mr. Frank Siepker, Engineering Manager; Mr. Nick Edson, Key Accounts Representative; and Mr. Brad Pavwoski, Accountant, joined the meeting.

President Van Pelt welcomed members who attended the meeting for their input on the proposed rate increase. He stated the purpose of the public meeting was to seek input prior to board consideration of a rate increase.

President Van Pelt asked for member input and the following member, Michael Lusky, was the only member in attendance and stated he was just there to observe on behalf of the Great Wolf Lodge and his personal account. Manager Anderson reviewed a PowerPoint presentation outlining 2008 financial highlights, adjusted total margins, TIER calculation and two scenarios, A and B, of the calculation of the required increase. Manager Anderson also proposed a third scenario, C, which was management's recommendation for the proposed increase. Scenario C consisted of adding \$1.00 to the availability charge of all residential accounts and a 3.5% overall rate increase to all kilowatt charges of all rate classes.

After member questions and responses from the board and general manager, President Van Pelt asked for any final words prior to board vote.

Motion by Mr. Pope, supported by Mrs. Maciejewski to accept the recommendation of Scenario C proposed by Manager Anderson. A roll call vote was taken: Mr. Olson – yes; Mr. Pope – yes; Mrs. Lautner – yes; Mrs. Maciejewski – yes; Mr. Lautner – yes; and Mr. Van Pelt - yes. Motion passed unanimously.

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Member input meeting adjourned at 9:28 a.m.

The board resumed their regular board meeting at 9:30 a.m.

The board went into executive session at 9:30 a.m. and reconvened at 10:25 a.m.

Motion by Mrs. Maciejewski, supported by Mr. Pope and carried to go forward with an appeal to the Supreme Court on the Great Wolf Lodge matter if the Michigan Public Service Commission appeals the matter.

The board recessed at 10:27 a.m. and reconvened at 10:38 a.m.

Motion by Mr. Deneweth, supported by Mr. Lautner and carried to approve the minutes of the regular board meeting held on June 29, 2009.

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

Wolverine matters were discussed.

Manager Anderson reviewed the facilities study and proposed that we delay any major projects for a year and review the plan again in 2010.

Manager Anderson reported that a separate, direct mailing will be made to all members on the rate increase that becomes effective September 1, 2009.

The annual meeting for Cherryland Holdings, Inc. was set for August 17, 2009, immediately following the regular board meeting.

Manager reports were reviewed and discussed. Manager Anderson reported on the NRECA retirement program and proposed increase for 2010. Manager Anderson will make a presentation at a future board meeting prior to the start of the new rates.

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

Attorney Chambers report was reviewed.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 11:57 a.m.

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Tom Van Pelt, President

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Melinda Lautner, Secretary

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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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