

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

October 20, 2008

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on October 20, 2008.

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

Excused: 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. The board agenda was accepted.

Motion by Mrs. Maciejewski, supported by Mrs. Lautner and carried to approve the minutes of the regular board meeting held on September 22, 2008.

Mr. Jack Porter joined the board meeting in progress to present his ideas on alternative energy, how he feels it will impact the Cooperative and how he might be able to assist the Cooperative during these changing times.

Upcoming meetings were discussed.

President Van Pelt and Manager Anderson gave a report on the meetings with Dan Scripps and Ray Franz.

The board recessed at 10:15 a.m. and reconvened at 10:30 a.m.

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

Board of Directors Meeting – October 20, 2008

The 2009 capital budget was presented and discussed. Mr. Siepker, Engineering Manager, showed a PowerPoint presentation on the work plan project. No action was taken and the capital budget will be reviewed again at the November board meeting.

Attorney Chambers legal report was reviewed and discussed.

Wolverine matters were discussed.

Manager reports were reviewed and discussed. Manager Anderson updated the board on personnel matters.

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

The board recessed for lunch at 12:30 p.m. and resumed at 1:00 p.m.

Manager Anderson discussed Blair Township's request for a zero interest loan for the purchase of turnout gear for their fire department in the amount of \$80,000.00. He reviewed the Loan Agreement, Promissory Note and Security Agreement. Motion by Mr. Olson, supported by Mrs. Maciejewski and carried to authorize Manager Anderson to execute said documents and authorize Secretary Lautner to execute the board resolution accepting said terms and conditions.

Manager Anderson discussed the mechanic's facility and the results of the inspection of the Quality Asphalt property as discussed at last month's board meeting. It was the consensus not to proceed with an offer on this property. However, Manager Anderson was directed to budget for a facilities/buildings and grounds future needs assessment in 2009.

The board went into executive session at 2:00 p.m. and resumed at 2:30 p.m.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 2:30 p.m.

Tom Van Pelt, President

Melinda Lautner, Secretary

Board of Directors Meeting – October 20, 2008

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.

