

MEETING OF THE BOARD OF DIRECTORS

OF

CHERRYLAND ELECTRIC COOPERATIVE

November 19, 2007

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on November 19, 2007.

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
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 Mr. Pope and carried to approve the minutes of the regular board meeting held on October 15, 2007.

Upcoming meetings and events were discussed. A sign-up sheet for MECA's Director Conference on December 11-12, 2007 was circulated.

Senator Jason Allen joined the meeting to give an update on legislative matters and discuss the new taxes imposed as part of the 2007/2008 State budget.

Mr. Bill Garey, Energy Use Advisor, joined the meeting for a presentation on water heater energy consumption analysis.

The board recessed at 10:33 a.m. and reconvened at 10:43 a.m.

Mr. Kevin Beaudoin, Financial Advisor with Smith Barney, joined the meeting for a discussion on diversified investing and how it relates to our Homestead Funds with NRECA. It was the consensus of the board that an investment policy should be drafted for review by our attorney.

Board of Directors Meeting - November 19, 2007

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

The 2008 capital budget was presented. Mr. Siepker, Engineering Manager, showed a PowerPoint presentation on the work plan project. Motion by Mr. Olson, supported by Mr. Lautner and carried to approve the 2008 capital budget, as presented.

Attorney Chambers written report was reviewed. Manager Anderson informed the board that the lawsuit brought by Dean Robb against Cherryland was settled by our insurance carrier.

The board recessed for lunch at 11:55 a.m. and resumed at 12:21 p.m.

Wolverine board minutes were discussed. Mr. Pope reported that paperwork for the air quality permit at Rogers City has been submitted to the DEQ.

Manager reports were reviewed and discussed. Manager Anderson discussed the letter from Tom Karas requesting to attend the next board meeting. Manager Anderson will invite Mr. Karas to the December board meeting, along with representatives from Wolverine Power Supply Cooperative.

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

The board vacancy for an At-Large director was discussed. Mrs. Barone will mail copies of resumes received to date to all board members, with the final copy of resumes to be mailed on November 30th. President Van Pelt appointed Mrs. Lautner, Mr. Lautner and Mrs. Maciejewski to the Director Search Committee. The committee meeting will be held on Monday, December 3, 2007 at 10:00 a.m. at Cherryland's headquarters.

A special board meeting will be held on Monday, December 10, 2007 at 10:00 a.m. to interview the final board candidates.

Due to Mr. Hoxie's retirement, Mrs. Lautner moved from alternate to director on the MECA board. Mr. Olson was appointed alternate board member for MECA.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 2:00 p.m.

Tom Van Pelt, President

Melinda Lautner, Secretary

Board of Directors Meeting - November 19, 2007

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.

