

MEETING OF THE BOARD OF DIRECTORS  
OF  
CHERRYLAND ELECTRIC COOPERATIVE

November 17, 2008

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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 November 17, 2008.

Meeting was called to order at 9:03 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. 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 Mr. Lautner, supported by Mr. Pope and carried to approve the minutes of the regular board meeting held on October 20, 2008.

Upcoming meetings were discussed.

The board went into executive session at 9:07 a.m. and reconvened at 9:33 a.m.

Manager Anderson gave a PowerPoint presentation on Energy Optimization.

Mr. Wilson, Chief Financial Officer, reviewed the financials, including the PSCR factor for December 2008 and for 2009. It was the consensus of the board to change the PSCR factor for December to .00000 and implement the 2009 plan, as presented.

Mr. Wilson reported on the Brownfield Tax Credit investment proposal. It was the consensus of the board to leave the final decision of the investment to Manager Anderson and Mr. Wilson.

The board recessed at 10:49 a.m. and reconvened at 11:02 a.m.

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The 2009 capital budget was presented. Motion by Mr. Lautner, supported by Mr. Olson and carried to approve the 2009 capital budget, as presented.

The 2009 operating budget was presented. Motion by Mr. Deneweth, supported by Mr. Olson and carried to approve the 2009 operating budget, as presented.

Attorney Chambers legal report was reviewed and discussed.

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

Wolverine matters were discussed. Mr. Pope discussed Wolverine's revised Audit Committee Policy. It was determined that Cherryland Electric Cooperative should also review their policy to ensure there is a charter, or set of rules, to steer Cherryland's Audit Committee.

Wolverine's proposed Bylaw Amendments were discussed.

Mr. Pope reported on Wolverine Power Marketing indicating they are working on extending some contracts and initiating new contracts.

Manager reports were reviewed and discussed. Manager Anderson and Mr. Cragg updated the board on Lochenheath matters. Manager Anderson also reported that the pre-hearing conference on the Act 30 application is set for December 18<sup>th</sup> at 9:30 a.m. in Lansing.

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

Manager Anderson gave an updated report on facilities planning. He was directed to proceed with the selection of a firm to do the planning and have it completed before proceeding with the bathroom remodeling as presented in the 2009 operating budget. Manager Anderson indicated he would start the project in January or February 2009.

The board reviewed their 2009 preliminary budget.

The board went into executive session at 1:36 p.m. and resumed 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.

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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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