

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

August 15, 2011

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on August 15, 2011

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
Rick Deneweth, Treasurer
Jon Zickert
Betty Maciejewski
John Olson
Tony Anderson, General Manager
Kerry Kalbfleisch, Assistant Secretary

Mr. Mark Wilson, Chief Financial Officer; Mr. Jim Carpenter, Line Superintendent; Mr. Nick Edson, Key Accounts Representative; and Ms. Olds, Member Service Supervisor, joined the meeting.

President Van Pelt reviewed the board agenda. No changes were made.

The July minutes were discussed. Motion by Mrs. Lautner, supported by Mr. Zickert and carried to approve the minutes of the regular board meeting held on July 18, 2011.

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

Mr. Wilson led a discussion on the PSCR and went over the 10 year forecast.

Wolverine and Wolverine Power Marketing matters were discussed.

Mr. Olson gave an update on Spartan Energy.

The Board recessed for a break at 10:26 a.m. and reconvened at 10:40 a.m.

Mr. Anderson presented suggested changes to Policy 114 – Director Compensation as discussed in Executive Session at the last Board meeting. A draft of the updated policy will be brought to the next board meeting along with a worksheet showing expenses over 2009, 2010 and 2011 (ytd).

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There was discussion regarding a 2011 Capital Credit Retirement. It was the suggestion of Mr. Anderson and Mr. Wilson that CEC should retire \$1.5 million. This would be allocated per the present policy. The credits would be applied in October.

Motion by Mr. Lautner, supported by Mrs. Maciejewski and carried to approve the capital retirement of \$1.5 million to be allocated per the present policy.

Mr. Cragg led a discussion regarding rates. Some corrections need to be made on the outdoor lighting rate and the irrigation rate. He also suggested eliminating the member owned back-up generation rate that is currently not being used.

Motion by Mr. Deneweth, supported by Mr. Zickert and carried to approve the corrections to the outdoor lighting and irrigation rates and to eliminate the member owned back-up generation rate.

Ms. Olds gave a presentation on member fees. Suggestions were made to adjust various fees currently being charged to members. These changes will be brought before the Board at the September board meeting.

Mr. Anderson presented the Board with the Solon Centerville Fire Department loan application. A roll call vote was taken with Mrs. Lautner abstaining. The application was unanimously approved.

Managers' reports were reviewed and discussed.

The Board recessed for lunch at 12:01 p.m. and reconvened at 12:26 p.m.

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

The Attorney's report was discussed.

The Board discussed the fundraiser for Congressman Dan Benishek in Sault Ste. Marie, MI on August 29th. It was decided that Mr. Deneweth would attend along with Mr. Anderson.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 12:46 p.m.

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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.
