

MEETING OF THE BOARD OF DIRECTORS  
OF  
CHERRYLAND ELECTRIC COOPERATIVE

February 21, 2011

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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 February 21, 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  
Betty Maciejewski  
John Olson  
Jon Zickert  
Tony Anderson, General Manager  
Kerry Kalbfleisch, Assistant Secretary

Mr. Mark Wilson, Chief Financial Officer; Mr. Frank Siepker, Engineering Manager; Mr. Kevin Cragg, Member Service Manager; Mr. Jim Carpenter, Line Superintendent; and Mr. Nick Edson, Key Accounts Representative; and Louis Grandpre, Intern, joined the meeting.

President Van Pelt opened the public meeting and welcomed Cherryland member Joel Wright and Wolverine Power Cooperative CFO, Janet Kass. Mr. Wilson gave a presentation explaining the PSCR and the need to raise it to 18.8 mils from 15.06 mils. The board entertained questions and discussed this issue at length. It was noted that, if approved, the increase would be reflected beginning in May due to the need for proper notice per the state statute

Mr. Van Pelt closed the public meeting at 9:39 a.m. and called the regular meeting to order.

President Van Pelt reviewed the board agenda and no changes were made.

The January minutes were discussed. Motion by Mr. Lautner, supported by Mr. Zickert and carried to approve the minutes of the regular board meeting held on January 17, 2010.

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Mr. Wilson, Chief Financial Officer, reviewed the November financials. Mr. Wilson stated that the Audited Financial Statements should be completed and available for the March board meeting. It was determined that there will be an Audit Committee meeting on March 21<sup>st</sup> at 8:00 am, prior to the regular board meeting.

Wolverine and Wolverine Power Marketing matters were discussed with Wolverine CFO Janet Kass.

Mr. Van Pelt asked for a motion on the PSCR increase. Motion by Mrs. Maciejewski, supported by Mr. Deneweth and carried to increase the PSCR to 18.8mils after proper notice per the statute.

The Board recessed for a break at 10:05 a.m. and reconvened at 10:17 a.m.

Mr. Cragg presented necessary changes to the billing rules. Motion by Mr. Olson, supported by Mr. Zickert and carried, to accept the changes to the billing rules as presented.

Changes to Policy #111 – Director's Computers were presented to the Board. The changes were necessary to accommodate the change to Electronic Tablets and the fact that the Cooperative will no longer supply cell phones to the Directors. It was discussed that the policy should reflect the generic term of "electronic tablet" in place of "Ipad". Motion by Mr. Deneweth, supported by Mr. Zickert and carried to approve the revision to Policy #111 with the change noted.

It was decided by consensus that Mr. Olson would be the voting delegate for the NCSC Annual Meeting, with Mrs. Lautner as the alternate. Additionally, it was decided by consensus that Mrs. Maciejewski would be the voting delegate for the CFC Annual Meeting with Mr. Olson as the alternate.

Managers' reports were reviewed and discussed.

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

Attorney Jenkins' report was discussed.

Upcoming meetings were discussed.

The Board went into Executive Session at 11:49 a.m.

Meeting broke for lunch at 12:00 p.m. and reconvened at 12:30 p.m.

Citi-Mac Representative presented an educational presentation on the Ipad.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 1:45 p.m.

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Tom Van Pelt, President

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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.

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