

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

May 16, 2011

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on May 16, 2011.

Meeting was called to order at 9:04 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; Mr. Nick Edson, Key Accounts Representative, and Louis Grandpre, intern joined the meeting.

President Van Pelt opened the public hearing. No members attended. Mr. Van Pelt welcomed Kim Molitor and Dan DeCoeur from Wolverine Power.

Mr. Wilson and Mr. Cragg gave a presentation on the proposed rate increase and rate design. The presentation covered the topics of 1) the need for a rate increase, 2) revenue requirements, 3) cost classification, and 4) proposed rate design by rate class.

Mr. Van Pelt closed the Public Hearing at 9:55 a.m. and opened the regular meeting.

President Van Pelt reviewed the board agenda and no changes were made. It was noted that there would be an executive session at the end of the regular board meeting.

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

The April minutes were discussed. Motion by Mr. Olson, supported by Mr. Zickert and carried to approve the minutes of the regular board meeting held on April 25, 2011.

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Wolverine and Wolverine Power Marketing matters were discussed. The board approved by consensus to send Mrs. Maciejewski as the guest director to Wolverine's June board meeting.

The board proceeded to discuss the rates issue. Motion by Mr. Lautner, supported by Mrs. Maciejewski and carried to approve the rates as presented.

Mr. Anderson asked the board to consider changing when the organizational meeting is held. He suggested that it be held the morning of the June regular board meeting rather than after the annual meeting. This will allow for the board members to visit with members after the annual meeting and not have to rush to the conference room to conduct the organizational meeting.

The Election and Credentials Committee for the 2011 annual election was discussed. Motion by Mr. Lautner, supported by Mr. Olson and carried to approve the committee members. The Committee is the same as last year and the members are Craig and Sue Meredith, Ken and Charlene Thompson, Arlene Tremain, Dorothy Bertram, Linda Burton and JoAnn and Walter Wilczynski.

The 2011 NRECA National Benefits Survey was reviewed and discussed.

The per diem for MECA Board Meetings was discussed. It was suggested that Board Policy #114 needs to be revised to be in line with past practice. This was postponed to the Executive Session.

Mr. Anderson requested that the November board meeting be moved to November 14th. Motion by Mr. Lautner, supported by Mr. Olson and carried to move the November board meeting to November 14th.

Managers' reports were reviewed and discussed.

Mr. Van Pelt welcomed Al Ernst from the Dykema Gossett law firm to the meeting. Mr. Ernst summarized the Supreme Court Decision in the Great Wolf Lodge legal battle. In a 4-3 vote, the justices ruled that Cherryland, which has served the Great Wolf Lodge property since the 1940s, should remain its energy provider.

The board broke for lunch at 11:46 a.m. and reconvened at 12:35 p.m.

Discussion of Managers' reports resumed.

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

Upcoming meetings were discussed.

The Board went into Executive Session at 1:15 p.m.

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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

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.

