

MEETING OF THE BOARD OF DIRECTORS  
OF  
CHERRYLAND ELECTRIC COOPERATIVE

September 19, 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 September 19, 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 and Mr. Nick Edson, Key Accounts Representative joined the meeting.

Mr. Van Pelt opened the quarterly member input session. Roger Griner, a property developer, addressed the board and requested an extension on the refund period for his subdivision in Interlochen. There was some discussion and Mr. Anderson agreed to do some research and get back with Mr. Griner at the end of the week.

Mr. Van Pelt closed the member input session and called the regular board meeting to order at 9:13 am.

President Van Pelt reviewed the board agenda. New business was added under 8.4 to address Policy 426 that was eliminated during the union negotiations.

Motion by Mr. Lautner, supported by Mr. Zickert and carried to approve the change to the agenda.

The August minutes were discussed. Motion by Mrs. Maciejewski, supported by Mr. Lautner and carried to approve the minutes of the regular board meeting held on September 19, 2011.

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

Board of Directors Meeting – September 19, 2011

There was discussion regarding the allocation of the capital credits that were approved at the August 15<sup>th</sup> board meeting.

Mr. Wilson addressed the board regarding the PSCR. It was unanimously decided to adjust the PSCR to .012 for October and to monitor it monthly.

Mr. Wilson presented the Farmer MAC loan program to the board. Motion by Mr. Lautner, supported by Mr. Olson and carried to approve the Farmer MAC loan program resolution.

Wolverine and Wolverine Power Marketing matters were discussed.

The Board recessed for a break at 10:20 a.m. and reconvened at 10:40 a.m.

Mrs. Kalbfleisch and Mr. Wilson presented a summary of the Union Negotiations. Motion by Mrs. Maciejewski, supported by John Olson and carried to approve the new contract.

Mr. Van Pelt and Mr. Zickert reported on their legislative trip to Washington DC and Mr. Deneweth reported on the fundraiser for Congressman Benishek in Sault Ste. Marie.

Mr. Anderson presented a draft of Policy 122 which would replace Policy 114 as was discussed at the August board meeting. Motion by Mr. Olson, supported by Mrs. Lautner and carried to approve Policy 122 and delete Policy 114.

Items 8.2 - Non-Union wage plan, and 8.3 - General Manager Compensation Review, were deferred to Executive Session.

Mrs. Kalbfleisch requested the board to approve the elimination of Policy 426 – Donated Sick leave as negotiated in the new Union contract. Motion by Mr. Lautner, supported by Mrs. Maciejewski and carried to approve the elimination of Policy 426.

Managers' reports were reviewed and discussed. Motion by Mr. Zickert, supported by Mrs. Lautner and carried to approve the management reports, including the safety report as presented.

Upcoming meetings were discussed.

The Board recessed for lunch at 11:45 a.m. and reconvened at 12:15 p.m.

There was a brief discussion regarding the NRECA Regional Meeting.

The Board went into executive session at 12:26 p.m.

Mr. Anderson presented a 2-year wage plan for exempt employees. Motion by Mr. Lautner, supported by Mrs. Maciejewski and carried to approve the 2-year wage plan.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 1:20 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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