

MCLEAN ELECTRIC COOPERATIVE, INC.

July 25, 2014

The July meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the Cooperative's Headquarters in Garrison, North Dakota, on the 25th day of July, 2014. The meeting was called to order by President Alvin Myers at 8:30 o'clock a.m.

Directors present:

Clarence Behles
Larry Gessele
Ernest Grueneich
Alvin Myers
Troy Presser
Orvin Ravnaas
Rod Stockdill

Also present were Manager Martin D. Dahl and Attorney David A. Lindell.

A motion was made by Ravnaas and seconded by Grueneich to approve the Consent Agenda which consisted of the minutes of the June 26, 2014, board meeting, the June 17, 2014 reorganization meeting, additional agenda items, review of director's checks, and approval of the membership and service applications. The motion carried.

The estates of Beverly Johnson and Marvin Sayler were presented for capital credit retirement. A motion was made by Presser and seconded by Behles, to approve the retirement of the capital credits. The motion carried.

STAFF REPORTS:

1. Business Department - Luke Steen. Items discussed and actions taken during the Business Department report were as follows:
 - a. Provided the financial report for the cooperative which included the June, 2014, KWH usage and revenue, a review of the June, 2014, Form 7, Financial Ratios analysis, and the budget to actual reports.
 - b. Provided the 2013 CFC KRTA (Key Ratio Trend Analysis) report for the cooperative.

- c. Discussed the new membership service deposit determination procedures. Reported that NISC has partnered with Online Utility Exchange to get faster reports.
 - d. Discussed the budget billing process for consumers.
2. Operations Department - Keith Thelen. Items discussed and actions taken during the operations department report were as follows:
- a) Provided a July workload and workplan update.
 - b) The Board acknowledged the AT&S Safety meeting held on July 15, 2014.
3. Manager's Report - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
- a) Provided a REDL&G update. The Garrison Hospital grant should close soon. Coal Creek Drying and Storage decided to borrow from Agribank and is not going to take a REDL&G loan from the Cooperative.
 - b) Provided a Central Power updated. Reported that CPEC plans to build a transmission line between the Max and Benedict substations.
 - c) Provided a Basin Electric update. Reported that Basin Electric has agreed to join Southwest Power Pool (SPP) RTO.
 - d) Provided a Statewide update regarding health insurance benefits.
 - e) Reported that the Cooperative's Build 96 shares were sold to Ervin Flath for \$5,000.00.
 - f) Provided a member services hiring update.
 - g) Discussed project scheduling issues.
 - h) Basin Electric Annual Meeting Delegate Appointment. Ravnaas was appointed Delegate with Grueneich as an alternate.
 - i) Co-Bank Director Election. A motion was made by Ravnaas and seconded by Stockdill to vote for Janet Kass and Jeffery Johansmeyer as Directors. The motion carried.

Reports on meetings attended:

1. Statewide - Stockdill
2. Central Power - Presser

Other Business:

1. A motion was made by Presser and seconded by Ravnaas for the Cooperative to nominate PSA Commissioner Brian Kalk for the Basin Electric Helping Hand Award pending Kalk's approval of the nomination. The motion carried.

Upcoming Meetings:

1. The next regular Board Meeting is scheduled for Thursday, August 28, 2014, at 8:30 o'clock a.m.

There being no further business, upon a motion made and carried, the meeting was adjourned.

Secretary