

MCLEAN ELECTRIC COOPERATIVE, INC.

October 24, 2014

The October meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the Cooperative's Headquarters in Garrison, North Dakota, on the 24th day of October, 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  
Rod Stockdill

Director absent: Orvin Ravnaas

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

A motion was made by Stockdill and seconded by Behles to approve the Consent Agenda which consisted of the minutes of the September 25, 2014, board meeting, additional agenda items, review of director's checks, and approval of the membership and service applications. The motion carried.

A motion was made by Presser and seconded by Behles to approve the minutes of the October 7, 2014 Special Board Meeting. The motion carried.

The estates of Norbert Schlichting and Arthur Sprenger were presented for capital credit retirement. A motion was made by Presser and seconded by Grueneich, 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 KWH usage and revenue, a review of the September, 2014, Form 7, Financial Ratios analysis, and review of the budget to actual reports for September, 2014.

- b. Presented Policy No. 314.0 Budget Billing with proposed amendments. A motion was made by Presser and seconded by Stockdill to approve the amendments to Policy No. 314.0 as presented. The motion carried.
  - c. Provided a medical insurance update. He reported that the break even rate between NRECA and North Dakota Blue Cross/Blue Shield would be at an 8.21% increase by BC/BS. A motion was made by Behles and seconded by Grueneich for the Cooperative to switch to the NRECA medical plan if Blue Cross/Blue Shield's 2015 rate increase is 8% or higher. The motion carried.
  - d. Discussed the line extension policy for oil field and non-agricultural large commercial patrons in regards to the 5 year true-up of such line extensions.
  - e. Reported on the visit by the Cooperative's Federated Insurance Agent. During the visit the Cooperative's umbrella liability coverage was discussed. The cost of any additional coverage will be provided during the November Board meeting.
2. Operations Department - Keith Thelen. Items discussed and actions taken during the operations department report were as follows:
- a) Showed the Board the new LED security light.
  - b) Provided a work plan/work load update for October, 2014.
  - c) The Board acknowledged the minutes of the September 30, 2014, safety committee meeting.
  - d) AT&S Safety Field Visits were held on October 7<sup>th</sup> and 21<sup>st</sup>.
3. Manager's Report - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
- a) Discussed the cooperative's capital credit retirement policy.
  - b) Reported on the Basin Electric Meeting
  - c) Reported on the Statewide MAC Meetings.
  - d) Provided a member services updated.
  - e) Reported that the Camp of the Cross REDL&G documents have been provided. He presented a resolution authorizing a Rural Economic

Development Loan in the amount of \$1,000,000. A motion was made by Behles and seconded by Stockdill to approve the resolution. The motion carried.. It has also been reported that the camp is providing an irrevocable line of credit that has been approved.

- f) Provided an Operation Round Up report.
- g) Discussed the possibility of a franchise with the City of Underwood for property the City is planning to annex to the City. Manager Dahl will provide a Cooperative proposal during the next Commission meeting.
- h) Discussed Policy No. 402.0 - Member Service and Line Extension. Manager Dahl will provide a proposed updated policy during the next board meeting.
- i) 2015 Statewide Director Election. Stockdill was re-elected as Director with Ravnaas as Alternate Director. The Statewide annual meeting voting delegates will be Stockdill, Ravnaas and Grueneich.
- j) Midwest Region Meeting Delegate will be Stockdill with Dahl as the alternate.

Reports on meetings attended:

- 1. Statewide - Presser
- 2. Central Power - Presser
- 3. Statewide Attorney's Association - Lindell

Upcoming Meetings:

- 1. Midwest Region Meeting in Denver, CO on December 9-12, 2014.
- 2. 2015 Statewide Annual Meeting, January 5, 6 & 7, 2014 in Bismarck, ND.
- 3. The next regular Board Meeting is scheduled for Tuesday, November 25, 2014, at 9:00 o'clock a.m.

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

---

Secretary