

MCLEAN ELECTRIC COOPERATIVE, INC.

March 4, 2015

The February meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the Lewis & Clark Fort Mandan Foundation Interpretive Center in Washburn, North Dakota, on the 5th day of March, 2015. The meeting was called to order by President Alvin Myers at 9:00 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, Business Manager Luke Steen, Operations Manager Keith Thelan, and Attorney David A. Lindell.

A motion was made by Presser and seconded by Behles to approve the Consent Agenda which consisted of the minutes of the January 29, 2015, board meeting, additional agenda items, review of director's checks, and approval of the membership and service applications. The motion carried.

The estates of Alec Mehlhoff, Elsie Weishaar, Goldie Nelson, and Billie Schmidt were presented for capital credit retirement. A motion was made by Behles and seconded by Ravnaas to approve the retirement of the capital credits. The motion carried.

The Board held the Central Power delegate election. Presser was nominated to the position. A motion was made by Ravnaas and seconded by Stockdill for a unanimous ballot to be cast for the election of Presser as Director for 2015. The motion carried. Director Gessele was nominated as the alternate director. A motion was made by Ravnaas and seconded by Behles for the Board to cast a unanimous ballot for the election of Gessele as alternate director for Central Power. The motion carried.

The Central Power Annual Meeting Delegate is Director Grueneich.

## 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 for January, 2015, the preliminary 2014 year end Form 7, the 2014 year end financial ratios and budget to actual reports.
  - b. Reported that the RUS Civil Rights Compliance Review was completed on February 3, 2015.
  - c. Provided an NDAREC Health Insurance update. A motion was made by Presser and seconded by Ravnaas to approve Business Manager Luke Steen as the Trustee and Manager Dahl as the alternate Trustee of the NDAREC Benefit Trust on behalf of the Cooperative. The motion carried.
  - d. Provided an update on the proposed IRS regulation changes involving the Cooperative pension plan.
  - e. Reported that HDR has completed a review of the Cooperative's work order inventory and provided an IRS Form 219 was ready for submission. A motion was made by Ravnaas and seconded by Gessele to approve the Form 219 and for the officers to execute the form. The motion carried.
  - f. Reviewed the federal interest rates involved with the Cooperative.
2. Operations Department - Keith Thelen. Items discussed and actions taken during the operations department report were as follows:
  - a) Provided the February, 2015, and March work plan/work load update.
  - b) The Board acknowledged the minutes of the Safety Committee Meeting which was held February 26, 2015.
  - c) Reported that Federated Insurance visited the Cooperative in February and gave a clean report to the Cooperative.
3. Manager's Report - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:

- a) Submitted a three-phase service agreement with Camp of the Cross pursuant to the Cooperative's line extension policy. A motion was made by Ravnaas and seconded by Behles to approve the service agreement. The motion carried.
- b) Provided a RFDC Board update.
- c) Reported that the Central Power Electric Cooperative Annual Meeting is scheduled for March 25 and 26, 2015, with the Cooperative's March meeting scheduled for March 26, 2015, at 11:30 a.m. following the adjournment of the CPEC Annual Meeting.
- d) Discussed line loss issues.
- e) Provided a report on his attendance at the Border States Advisory Meeting.
- f) Provided a donation request for the NRECA's International Foundation. A motion was made by Ravnaas and seconded by Behles for the Cooperative to donate \$1,000.00 to the Foundation, which is up from \$500.00 in the past. The motion carried.
- g) Reported that the NRECA Legislative Conference is scheduled for May 3-5 in Washington, D.C. Stockdill and Dahl plan to attend.
- h) Provided a donation request from the Trinity Lutheran Church Child Backpack Program. A motion was made by Presser and seconded by Ravnaas to donate \$200.00 to the program. The motion carried.

#### POLICY REVIEW:

The following policies were reviewed:

1. Policy No. 615.0 - Personal Tools, Equipment and Uniforms. A motion was made by Behles and seconded by Presser to amend the Policy as presented. The motion carried.
2. Policy No. 627.0 - Phone Use. A motion was made by Stockdill and seconded by Behles to amend Policy No. 627.0 as presented. The motion carried.

Reports on meetings attended:

1. NRECA Annual Meeting - Ravnaas, Grueneich, Presser and Dahl
2. Statewide - Stockdill
3. Central Power - Preser

Upcoming Meetings:

1. The next Board meeting is scheduled for Thursday, March 26, 2015, in Minot, following the Central Power Annual Meeting. The meeting is scheduled to begin at 11:30 a.m.
2. The April, 2015, meeting is scheduled for Thursday, April 30, 2015,

There being no further business, upon a motion made and carried, the meeting was adjourned. Following adjournment, the Board and Management held a Strategic Planning Session for the remainder of March 4, 2015, which concluded on March 5, 2015.

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Secretary