

MCLEAN ELECTRIC COOPERATIVE, INC.

May 28, 2015

The May meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the Company's headquarters in Garrison, North Dakota, on the 28th day of May, 2015. 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 Stockdill and seconded by Behles to approve the Consent Agenda which consisted of the minutes of the April 30, 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 Lloyd Mitchell, Ervin Kolden, and Terrence Sayler were presented for capital credit retirement. A motion was made by Presser and seconded by Ravnaas to approve the retirement of the capital credits. The motion carried.

STAFF REPORTS:

1. Operations Department - Keith Thelen. Items discussed and actions taken during the operations department report were as follows:
 - a) Provided the May work load/work plan and contract labor update.
 - b) The Board acknowledged the minutes of the May 15, 2015, Safety Committee meeting.
 - c) The 2014 inventory was discussed. It was pointed out that the 2014 inventory was 1.5% short in the amount of \$8,771.59. A motion was made by Stockdill, seconded by Presser, to adjust the 2014 inventory by said amount. The motion carried.

- d) It was announced that Jesse Carter was hired as a lineman to begin work at the Turtle Lake shop.
2. 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 April 2015, review of the April 2015, Form 7, financial ratios and budget to actual report for April 2015.
 - b) Provided an update of the NDARC Medical Insurance Trust.
 - c) Discussed the 2014 external audit review. A motion was made by Presser, seconded by Ravnaas, to approve the 2014 external audit. The motion carried.
3. Manager's Department - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
- a) Reported that the Camp of the Cross ground breaking is scheduled for May 31, 2015.
 - b) Reported that the Garrison High School provided an application for a \$100,000.00 loan from the revolving loan fund for its bleacher project. A motion was made by Ravnaas, seconded by Stockdill, to approve the loan of \$100,000.00 contingent upon the Cooperative receiving an updated cost analysis from the school. The motion carried.
 - c) Provided an Underwood Economic Development Board update.
 - d) Provided a Central Power update. Manager Dahl has presented a wish list of projects the Cooperative would like to occur.
 - e) Provided a Member Services update.
 - f) Reported on his attendance at the NRECA Legislative Rally with Stockdill and Presser.
 - g) Provided a Garrison Rural Water District update.
 - h) Presented an estimate for the headquarters ceiling clean-up. The offices on the north side of the building and hallways could be cleaned for the cost of \$.95 per square feet for approximately 1,600 square feet. A motion was made by Stockdill, seconded by Ravnaas, to approve of the expenditure. The

motion carried.

- i) Discussed lineman summer overtime policy.

POLICY REVIEW:

The following policies were reviewed:

1. Policy No. 416.0 - Metering Equipment. An amendment was presented to remove not charging for heavy up-service for electric heat. A motion was made by Stockdill, seconded by Grueneich, to approve the Policy No. 416.0 as presented with the amendment.
2. Policy No. 629.0 - Ipad Use and Upkeep. A motion was made by Presser, seconded by Stockdill, to approve Policy No. 629.0 as presented. The motion carried.
3. Policy No. 602.0 - Management-Employee Relations. A motion was made by Ravnaas, seconded by Behles, to approve Policy No. 602.0 as reviewed. The motion carried.
4. Policy No. 603.0 - Equal Employment Opportunities. A motion was made by Ravnaas, seconded by Behles, to approve Policy No. 603.0 as reviewed. The motion carried.
5. Policy No. 604.0 - Working Hours. An amendment was presented for bargaining unit employees to be subject to the terms of the contract in place at the time. A motion was made by Ravnaas, seconded by Grueneich, to approve Policy No. 604.0 as amended. The motion carried.
6. Policy No. 605.0 - Hardhat Policy. A motion was made by Ravnaas, seconded by Presser, to approve Policy No. 605.0 as reviewed. The motion carried.
7. Policy No. 319.0 - Prepaid Electric Service. A motion was made by Presser, seconded by Ravnaas, to approve Policy No. 319.0 as proposed and presented. The motion carried.

Reports on meetings attended:

1. Central Power - Presser

Upcoming Meetings:

1. The 70th Annual Meeting of McLean Electric Cooperative, Inc., is scheduled for Tuesday, June 16, 2015, at the Garrison Community Center.
2. The next regular board meeting is scheduled for Thursday, June 25, 2015, at 8:30 o'clock a.m.

Directors Ravnaas and Grueneich are retiring from the Board at the 2015 Annual Meeting. President Myers and Manager Dahl thanked Ravnaas and Grueneich for their service for the Cooperative and wished them luck in the future.

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

Secretary