

MCLEAN ELECTRIC COOPERATIVE, INC.
September 24, 2015

The September meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the Company's headquarters in Garrison, North Dakota, on the 24th day of September, 2015. The meeting was called to order by President Alvin Myers at 1:00 o'clock p.m.

Directors present:

Clarence Behles
Larry Gessele
Darcy Klain
Alvin Myers
Troy Presser
Thomas Sheldon
Rod Stockdill

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

A motion was made by Presser and seconded by Gessele to approve the Consent Agenda which consisted of the minutes of the August 27, 2015, board meeting, additional agenda items, review of director's checks, and approval of the membership and service applications. The motion carried.

The estate of Aleck Mehlhoff was presented for capital credit retirement. A motion was made by Behles and seconded by Klain to approve the retirement of the capital credits. The motion carried.

STAFF REPORTS:

1. Business Department - Manager Martin D. Dahl. 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 August 2015, review of the August 2015, Form 7, financial ratios and budget to actual report for August 2015.
 - b) The following bad debts were presented for write-off: Shelly Thompson in the amount of \$247.04 with a capital credit balance of \$197.74, and Erin and Jeremy Muxlow in the amount of \$454.55 with a capital credit balance of \$376.08. A motion was made by Stockdill, seconded by Gessele, to write-off the bad debts. The motion carried.

- c) Reported of the Employee 401k proposal presented by NRECA. The NRECA provided a proposal and Manager Dahl is performing due diligence to verify the proposal.
2. Operations Department - Keith Thelen. Items discussed and actions taken during the operations department report were as follows:
- a) Provided the September work load/work plan update.
 - b) Provided a Contract Labor update.
 - c) Reported that AT&S had a field visit with the crews last month.
3. Manager's Department - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
- a) Provided a Region 6 meeting update.
 - b) Provided an update of the NDAREC Benefits Trust.
 - c) Provided a Central Power/GRE power supply update.
 - d) Provided a Member Services update.
 - e) Discussed cyber-security which was a major topic at the Region 6 Annual Meeting. It was discussed that the Cooperative needs to insure that proper steps have been taken to protect members of the Cooperative. The Cooperative has firewalls in place on its systems and all of the computers have up-to-date virus and spyware software. The employees have been instructed not to open e-mails that look suspicious to have links to unknown sites. Encryption is used on credit card software and member information is not shared. MEC works with Basin Electric and NISC on security updates and makes use of their firewalls. A Cyber-Security Plan is being developed which will be administered by the Engineering Department.
 - f) Reported that Statewide announced that Dennis Hill has announced his retirement and the replacement search by NRECA has begun.
 - g) Provided an update of the Business Manager search. Interviews will be performed prior to the next board meeting.
 - h) Discussed the McLean County Rural Subdivision Restrictive Covenant Ordinance.

- i) Co-Bank director election. A motion was made by Stockdill, seconded by Klain, for the Cooperative to cast its vote for Everett Dobrinski.
- j) Discussed the 2016 budget regarding wages/salary increases. A motion was made by Behles, seconded by Gessele, to approve the wage/salary increases for 2016 as proposed by Manager Dahl. The motion carried.
- k) NRECA voting delegate appointment for director election. Klain will be the delegate with Sheldon as the alternate.
- l) Discussed REPAC and ACRE membership renewals. A motion was made by Behles, seconded by Klain, for each director to donate \$100.00 to each PAC. The motion carried.
- m) Discussed the upcoming Membership Advisory Committee Meeting.

Reports on meetings attended:

- 1. Statewide - Stockdill
- 2. Central Power - Presser

Upcoming Meetings:

- 1. The next regular board meeting is scheduled for Monday, October 26, 2015, at 8:30 o'clock a.m.

The board went into Executive Session to discuss the General Manager evaluation and salary for 2016. After the Executive Session, there being no further business, upon a motion made and carried, the meeting was adjourned.

Secretary