

MCLEAN ELECTRIC COOPERATIVE, INC.  
August 25, 2016

The August meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the company's headquarters, Garrison, North Dakota, on the 25<sup>th</sup> day of August, 2016. The meeting was called to order by President Larry Gessele, at 8:30 o'clock a.m.

Directors present:

Clarence Behles  
Larry Gessele  
Darcy Klain  
James Odermann  
Troy Presser  
Thomas Sheldon  
Rod Stockdill

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

A motion was made by Klain and seconded by Sheldon to approve the Consent Agenda which consisted of the minutes of the July 28, 2016, board meeting, additional agenda items, review of director's checks, and approval of the membership and service applications. The motion carried.

The Board invited the President of the Garrison Rural Water District to discuss present issues of McLean Electric's involvement with the Garrison Rural Water District. President Gessele stated that the board's position is for McLean Electric's management to terminate January 1, 2018. Mr. Carlson responded that he will discuss this with his board and report to Manager Dahl accordingly.

STAFF REPORTS:

1. Business Department - Brett Holtz. Items discussed and actions taken during the Business Department Report were as follows:
  - a) Provided an HR/Professional Conference Report. He mentioned that he was elected as Secretary of the Statewide Business Manager's Association.
  - b) Provided the Financial Report for the cooperative which included the KWH usage and revenue for July 2016; review of the July 2016 financial ratios; and Form 7. He reported that the cooperative's equity ratio has increased to 33%.
2. Engineering Department - Scott Iverson. Items discussed and actions taken during the Engineering Manager's Report were as follows:

- a) Discussed the Garrison Creek Subdivision and an issue with one of the patrons in the subdivision. A motion was made by Presser, seconded by Stockdill to authorize staff and legal to discuss the situation with the patron with the possibility of negotiating settlement for the safety issue and underground construction. The motion carried.
  - b) Provided a SCADA update.
  - c) Reported that he is working on the 2016-2019 construction work plan.
  - d) Reported that new staking sheets are being used for a majority of the construction jobs.
  - e) Reported that he is working with accounting to close out as many projects as possible by September 1, 2016.
3. Operations Department - Keith Thelen. Items discussed and actions taken during the Operations Department Report were as follows:
- a) Provided a August work load/work plan update. Reported that the Turtle Lake area has slowed for projects but the Garrison area is still strong.
  - b) Provided a AT & S Safety update.
  - c) Reported that there are 127 work orders to date compared to 170 at this time in 2015.
4. Manager's Report - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
- a) Provided an NDMARC update.
  - b) Provided a report on his attendance at the Statewide MAC meeting.
  - c) Behles was appointed as the Federated Insurance delegate for Region 6 meeting
  - d) Klain was appointed and Sheldon as an alternate for the CFC delegate for Region 6 meeting.
  - e) Reported that Federal Insurance has allocated \$675,000.00 in capital credits for 2015 to its patrons.

- f) NRECA discussion benefits. An NRECA representative will meet with the cooperative staff September 15, 2016.
- g) Union negotiations were held on August 24, 2016, and a four year contract was agreed upon during the meeting with final approval forthcoming.
- h) Member services update. Mesh meters have been ordered to work with Garrison Rural Water District.
- i) Presented a Central Power PURPA Waiver Resolution for consideration by the board. Upon a motion made by Presser, seconded by Klain, the Resolution was approved.
- j) Presented an RUS resolution to appoint Manager Dahl as a certifier on behalf of the cooperative for submissions and certifying to RUS and for Brett Holtz to be given access to the cooperative's data with RUS. A motion was made by Behles, seconded by Odermann, the resolution was approved.
- i) Preliminary plans have been drafted. A motion was made by Presser, seconded by Sheldon, for Manager Dahl to hire an architect to finalize designs and get other cost estimates. The motion carried, with Director Behles voting no.

REPORTS ON MEETINGS ATTENDED:

- 1. Central Power - Presser
- 2. Basin Electric Power - Presser

UPCOMING MEETINGS:

- 1. NRECA Region 6 meeting - September 20-22, 2016, in Minneapolis, MN.
- 2. The next regular board meeting is scheduled for Tuesday, September 27, 2016, at 8:30 a.m. which will be held at the Cooperative's headquarters.

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

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Secretary