

MCLEAN ELECTRIC COOPERATIVE, INC.

July 28, 2016

The July meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the Minot office of Verendrye Electric Cooperative at 1225 Hwy 2 Bypass East, Minot, North Dakota, on the 28<sup>th</sup> day of July, 2016. The meeting was called to order by President Larry Gessele, at 8:50 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; Business Department Manager, Brett Holtz; Engineering Supervisor, Scott Iverson; Operations Department Manager Keith Theiland; and Attorney David A. Lindell.

A motion was made by Klain and seconded by Presser to approve the Consent Agenda which consisted of the minutes of the June 27, 2016, board meeting, additional agenda items, review of director's checks, and approval of the membership and service applications. The motion carried.

The Board was welcomed by Verendrye Electric's Manager Randy Hauck, who discussed the Minot office expansion as well as provided a tour of the building.

The estates of Karen Wardner, Janis Dislevy, and Kelly Erdmann, were presented for capital credit retirement. A motion was made by Stockdill and seconded by Sheldon to approve the retirement of the capital credits. The motion carried.

STAFF REPORTS:

1. Business Department - Brett Holtz. 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 June 2016, review of the June 2016, Form 7, and financial ratios for June, 2016. He reported that sales are lagging behind as of this time last year. A motion was made by Behles, seconded by Sheldon, to approve the Financial Report. The motion carried.

- b) Reported that he will be attending the HR/Professional Meeting sponsored by NDARC in August.
2. Engineering Department - Scott Iverson. Items discussed and actions taken during the Engineering Manager's Report were as follows:
- a) Provided a SCADA update.
  - b) He reported that the Cooperative's peak for the year occurred July 21st.
  - c) Provided an update of Garrison Creek Cabin Site Cabin Area underground project. The Cooperative has received a better response from property owners than expected.
  - d) Provided a mapping update. GPS of projects has started.
3. Operations Department - Keith Thelen. Items discussed and actions taken during the Operations Department Report were as follows:
- a) Provided a June storm damage repair update.
  - b) Provided a work load/work plan update. The old Crooked Lake Substation is being retired this summer.
  - c) Provided a contract labor update. Contract labor is currently working White Shield and Totten Trail areas, tree trimming is complete at this time and pole testing has started.
  - d) Reported that Blue Flint Ethanol was without power for one day in July due to a Central Power transformer issue.
  - e) The Board acknowledged the minutes of the Safety Committee Meeting held July 7, 2016.
4. Manager's Report - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
- a) The company picnic is scheduled for August 18, 2016, on the Cooperative's headquarters grounds. A motion was made by Behles, seconded by Klain, to waive the Cooperative's no alcohol policy on the premises for the company picnic. The motion carried.

- b) Reported that the first meeting of the union negotiations will be August 24, 2016. The union negotiation committee will consist of Behles, Gessele, and Presser.
- c) Reported that the Statewide Health Insurance Trust has asked the Cooperative to provide a presentation to the Board.
- d) Provided the RDFC update.
- e) Provided the NDMRAC update. The committee is continuing with its By-Laws set-up.
- f) Provided a Basin Mac update. The 7 mill rate increase will hold through 2017 and refill the current revenue balance of \$50 million dollars next year.
- g) Provided a member services update. The Garrison Rural Water District is conducting an automatic meter reading test project and quotes for metering have been received and appear that the Cooperative would charge \$1.50 per meter per month to read GRWD meters. A motion was made by Presser and seconded by Stockdill for the Cooperative to participate in the GRWD meter read test project. The motion carried. The Executive Board of GRWD will be invited to meet with the Board at the August board meeting.
- h) Co-Bank director election. A motion was made by Presser, seconded by Stockdill, to cast a vote for David J. Karges of Felton, Minnesota. The motion carried.
- i) Basin Electric delegate appointment. Odermann was appointed delegate with Gessele appointed as alternate delegate.
- j) Region 6 delegate appointment. Klain was appointed delegate with Behles appointed as alternate delegate.
- k) NRLB decision regarding warehouseman/locator. The position was clarified to be in the bargaining unit.
- l) Revised membership application review. A separate application for businesses has been prepared for use. A motion was made by Stockdill, seconded by Odermann, to approve the revised membership applications. The motion carried.
- m) Reported that the WAPA Rate Drought Adder will not change for 2016.

- n) Reported that RESCO has provided the Cooperative the 2015 capital credit allocation of \$37,735.00 of which \$7,547.00 was paid to the Cooperative in cash.
- o) Discussed Rate Class 31 for No-demand Irrigation. More information will be provided during the August meeting.

REPORTS ON MEETINGS ATTENDED:

- 1. Statewide - Stockdill
- 2. Central Power - Presser
- 3. Basin Electric - Presser

UPCOMING MEETINGS:

- 1. The next regular board meeting is scheduled for Thursday, August 25, 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