

MCLEAN ELECTRIC COOPERATIVE, INC.

January 28, 2016

The January 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 January, 2016. The meeting was called to order by President Alvin Myers at 9:10 o'clock a.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 Klain to approve the Consent Agenda which consisted of the minutes of the December 24, 2015, board meeting, additional agenda items, review of director's checks, and approval of the membership and service applications. The motion carried.

The board discussed director's compensation and upon review showed that the Cooperative's director's costs are lower than the other area cooperatives.

The estates of Vernon Kolschefski, Eunice Dockter, A. Neileen Greff, Lindteigen Construction, Ellen Johnson, and Herbert Nathan, were presented for capital credit retirement. A motion was made by Presser and seconded by Stockdill 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 December 2015, review of the December 2015, Form 7, financial ratios and budget to actual report.
2. Operations Department - Keith Thelen. Items discussed and actions taken during the operations department report were as follows:

- a) Provided the January work load/work plan update.
 - b) Provided a contract labor update.
 - c) Reported that he and three linemen attended the 52nd Annual AT&S Conference.
 - d) Provided a December and January storm/outage report. Reported that all the storm and frost damage has been repaired.
 - e) Acknowledged the January 27, 2016, Safety Committee Report.
3. Manager's Report - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
- a) Provided a report of his attendance at the Basin MAC meeting.
 - b) Reported on his attendance at the statewide MAC meeting.
 - c) Provided a health insurance benefits update.
 - d) Discussed sick leave benefits upon the employee's retirement. A motion was made by Presser, seconded by Stockdill, for the sick leave savings benefit to be paid by the Cooperative as a severance bonus pay. The motion carried.
 - e) Provided a member services update.
 - f) Provided an update on the business manager search. Interviews will be conducted prior to the February board meeting.
 - g) Reported that President Myers was recognized for obtaining status with the NRECA.
 - h) The CFC Annual Meeting delegate appointment - Behles was appointed as delegate with Dahl as the alternate.
 - i) Short term finance discussion - Manager Dahl presented a short term finance resolution to increase the short term debt limit of the Cooperative to \$2 million dollars from the current \$1.5 million dollars, for the line of credit the Cooperative has with Co-Bank. A motion was made by Klain, seconded by Sheldon, to approve the increase. The motion carried.

- j) Discussed the upcoming strategic planning session which is set for March 3rd and 4th.
- k) Central Power Resolutions Committee delegate appointment - Stockdill was appointed as delegate with Sheldon as the alternate.

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, March 3, 2016, at 9:00 o'clock a.m. followed by a strategic planning session for the remainder of March 3, 2016, and on March 4, 2016, the board meeting and strategic planning session shall take place at the North Country Inn in Garrison, North Dakota.

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

Secretary