

MCLEAN ELECTRIC COOPERATIVE, INC.

January 26, 2017

The January meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the company's headquarters, at Garrison, North Dakota, on the 26th day of January, 2017. The meeting was called to order by President Larry Gessele, at 9:00 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 Manager Brett Holtz, Engineering Department Director Scott Iverson, Operations Director Keith Thelen, and Attorney David A. Lindell.

A motion was made by Presser, seconded by Behles, to approve the Consent Agenda which consisted of the minutes of the December 29, 2016, board meeting, additional agenda items, review of director's checks, and approval of the membership and service applications. The motion carried.

The estates of Leah Kanko, Alvin Blohm, Margery Ertresvaag, and Clara Giese, was presented for capital credit retirement. A motion was made by Behles, seconded by Stockdill, to approve the estate retirement. 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 December 2016 and year end; review of the December 2016 financial ratios; and December 2016, Form 7, as unaudited. Reports show a year end margin of \$1,443,545.00.
 - b) Reported that the Cooperative's annual audit is scheduled for March 20, 2017.
 - c) Gave a Cooperative 401(k) transfer update.

- d) RUS financial forecast review with Tim Bohan of RUS in attendance. A ten (10) year financial resolution forecast was presented. A motion was made by Presser, seconded by Stockdill, to approve the ten (10) year financial forecast as presented. The motion carried.
 - e) A resolution for a \$13,043,169.00 RUS loan request was presented. A motion was made by Presser, seconded by Klain, to approve the resolution as presented with the Chairman and the Secretary to execute the appropriate paperwork. The motion carried.
 - f) A resolution to increase the Cooperative's debt limit to \$45 million was presented. A motion was made by Klain, seconded by Odermann to increase the Cooperative's debt limit to \$45 million. The motion carried.
2. Engineering Department - Scott Iverson. Items discussed and actions taken during the Engineering Department's Report were as follows:
- a) Provided a digital documents update. The cloud is being used more and documents are web based for use on most devices.
 - b) The Cooperative's mapping is ongoing.
 - c) The Board acknowledged the minutes of the Safety Committee meeting which occurred on January 5, 2017.
3. Operations Department - Keith Thelen. Items discussed and actions taken during the Operations Department Report were as follows:
- a) Provided a work plan/work load update.
 - b) Reported that he and four linemen attended the AT&S Conference in January and that McLean Electric received a safety award for 2016 which was one of four given for the year.
 - c) Reported that the old snowmobile sold for \$2,005.00.
 - d) Reported that the Cooperative purchased a snow pusher in January.
 - e) Discussed a patron irrigation set-up issue. No action was taken on the matter.

4. Manager's Report - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
 - a) Provided a report on his attendance of the Basin MAC meeting. The Blue Flint line was unanimously approved by the managers. Manager Dahl presented a proposed amendment to the electric service agreement with Blue Flint to extend the contract for an additional five (5) years. A motion was made by Stockdill, seconded by Sheldon, to approve the amendment. The motion carried.
 - b) Provided a report on his attendance at the Statewide MAC meeting.
 - c) Reported on his attendance at the CEO Close-Up meeting.
 - d) Policy review:
 1. POLICY NO. 424.0 - Inter Connection of Dispersed Generation was presented. This policy must be reviewed by the Board every two (2) years. A motion was made by Stockdill, seconded by Behles, to approve Policy No. 424.0 as reviewed with no changes. The motion carried.

REPORTS ON MEETINGS ATTENDED:

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

Director Presser also mentioned that he will be participating in the 2017 Brave the Shave through Basin Electric.

UPCOMING MEETINGS:

1. NRECA Annual Meeting - February 25, 2017, to March 1, 2017 in San Diego, California
2. 2017 Strategic Planning - March 22nd and 23rd, 2017.

The next regular board meeting is scheduled for Monday, February 20, 2017, at 9:00 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.

Secretary