

MCLEAN ELECTRIC COOPERATIVE, INC.

April 27, 2017

The April meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the company's headquarters, in Garrison, North Dakota, on the 27th day of April, 2017, The meeting was called to order by President Larry Gessele, at 8:05 o'clock a.m.

Directors present:

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

Also present were General Manager Martin D. Dahl, Business Manager Brett Holtz, Engineering Department Manager Scott Iverson, 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 March 22, 2017, board meeting, additional agenda items, review of director's checks, and approval of the membership and service applications. The motion carried.

The estates of Richard Kerzman, Ellen Maxine Younker, Leatrice Stockdill, Mildred Sethen, Albert Mautz, and Harley Swanson, were presented for capital credit retirement. A motion was made by Behles, seconded by Odermann, to approve the estate retirements. 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 use and revenue for March, 2017, review of the March, 2017, financial ratios, and the March, 2017, Form 7 as unaudited.
 - b) Provided an update of the NRECA Retirement Plan transfer.
 - c) Reported that the annual audit report should be provided by Brady Martz in May.
 - d) Discussed the WSI premium discount safety program. A WSI representative will visit the cooperative on May 9, 2017.

2. Engineering Department - Scott Iverson. Items discussed and actions taken during the Engineering Department's Report were as follows:
 - a) Provided a Garrison Creek Substation project update.
 - b) Provided a mapping/staking update.
 - c) The Board acknowledged the minutes of the Safety Committee Meeting of March 27, 2017.
3. Operations Department - Keith Thelen. No report due to his medical leave, although Scott Iverson gave a contract labor update.
4. General Manager's Report - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
 - a) Reported that an application from the Turtle Lake Hospital Association was received for the Co-Bank Sharing Success Program. A motion was made by Presser, seconded by Stockdill, to accept the application for the 2017 Sharing Success Program. The motion carried.
 - b) Reported that Director Sheldon has applied to run for the Director-Director seat on RESCO Board.
 - c) Reported on his attendance at the Peak Time Response Meeting. Capital Electric will be performing a Pilot Program with Power Systems Engineering.
 - d) Building Expansion Project construction is planned to begin May 1, 2017.
 - e) POLICY REVIEW:
 - 1) Policy No. 410.0 - Pole Attachments Policy. A motion was made by Presser, seconded by Stockdill, to approve the amendment to Policy No. 410.0 as presented, except that the annual fee per pole shall be increased to \$20.00. The motion carried.
 - 2) Policy No. 402.0 - Member Service and Line Extensions regarding line extensions within subdivisions in oil fields. A motion was made by Stockdill, seconded by Odermann, to approve the amendment to Policy No. 402.0 as presented. The motion carried.
 - f) Reported that Doug Geinger has been hired for summer lawn maintenance.

- g) Discussed a billing issue with the Lewis & Clark Interpretive Center of Washburn, North Dakota. Manager Dahl will meet with State Parks & Recreation officials in early May to discuss the situation.
- h) Revenue Deferral follow-up from Strategic Planning. Manager Dahl will continue to move ahead with possible implementation and RUS approval of a Revenue Deferral Program.
- i) Provided an NRECA Legislative Meeting report which occurred in Washington, D.C., along with Stockdill and Presser. He reported that he attended a meeting headed by the EPA Director and it was very positive for cooperatives.

REPORTS ON MEETINGS ATTENDED:

- 1. Statewide - Stockdill
- 2. Central Power - Presser
- 3. Basin Electric - Presser with a report on his attendance at Minn-Kota Power's Annual Meeting.

UPCOMING MEETINGS:

- 1. The regular monthly board meeting will be held at 8:00 a.m. on Wednesday, May 31, 2017, to be held at the North Shore Inn & Suites in Garrison, North Dakota, due to the building expansion construction project.

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

Secretary