

MCLEAN ELECTRIC COOPERATIVE, INC.

July 26, 2017

The July meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the Central Power Electric Cooperative Engineering and Operations Conference Room, in Minot, North Dakota, on the 16th day of July, 2017, The meeting was called to order by President Larry Gessele, at 10:15 o'clock a.m.

Directors present:

Larry Gessele
Darcy Klain
James Odermann
Troy Presser
Rod Stockdill

Directors absent were Clarence Behles and Thomas Sheldon.

Also present were General Manager Martin D. Dahl, Business Manager Brett Holtz, Operations Manager, Keith Thelen, Engineering Department Director, Scott Iverson, and Attorney David A. Lindell.

Prior to the meeting, the Board was provided a tour of Central Power Cooperative's facilities and was provided a presentation by Basin Electric and Central Power Director, Troy Presser, with the Board of Directors and Staff of North Central Electric Cooperative, also in attendance.

A motion was made by Stockdill, seconded by Odermann, to approve the Consent Agenda which consisted of the minutes of the June 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 Clarence Okerson and Lowell Flowers were presented for capital credit retirement. A motion was made by Presser, seconded by Klain, to approve the estate retirements. The motion carried.

Manager Dahl discussed current assets vs. current liabilities (current ratio) with the board. No action was taken.

STAFF REPORTS:

1. Business Department - Brett Holtz. Items discussed and actions taken during the Business Department's Report were as follows:

- a) Provided the Financial Report for the Cooperative which included the KWH use and revenue for June 2017, review of the June 2017, financial ratios, and a preliminary Form 7 for June, 2017.
 - b) Provided an NRECA Retirement Conversion update. He presented a resolution authorizing the adoption of Safe Harbor 401(k). A motion was made by Presser, seconded by Stockdill, to approve the resolution. The motion carried. A resolution for the adoption of 401(k) Pension Plan, Agreement A, with NRECA was presented. Upon a motion made by Odermann, seconded by Stockdill, to approve the resolution contingent on employees being allowed to self-direct their accounts. The motion carried.
2. Engineering Department - Scott Iverson. Items discussed and actions taken during the Engineering Department's Report were as follows:
- a) Reported that Garrison Creek substation underground project is complete.
 - b) Reported that he received two quotes for security cameras for the Cooperative headquarters from RTC and CompCAM. It was recommended that to accept the quote from CompCAM which would cost approximately \$6,300.00. A motion was made by Presser, seconded by Klain, to purchase the CompCAM System. The motion carried.
 - c) Provided an update on the McClusky Canal irrigation meeting held in Mercer, North Dakota, in June.
 - d) Discussed solar wells. Management was directed to develop a solar pumping policy for board review during the next board meeting.

The board was visited by Robert Grant, Statewide President and a Director of Mountrail-Williams Electric Cooperative who gave a Statewide report to the board.

3. Operations Department - Keith Thelen. Items discussed and actions taken during the Operations Report were as follows:
- a) Provided the July workload/workplan update.
 - b) Provided a Contract Labor update.
 - c) The board acknowledged the minutes of the Safety Committee Meeting held on June 29, 2017.

4. General Manager's Report - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
 - a) Provided a headquarters addition construction update. He presented a change order for roof overbuild of \$6,683.00. A motion was made by Klain, seconded by Stockdill, to approve the change order. The motion carried.
 - b) Provided an update of the Lewis & Clark Interpretive Center billing issue.
 - c) Provided a Garrison Rural Water District report.
 - e) Provided a GAIA report. He reported that he has resigned as the Secretary of GAIA due to concerns with the current GAIA gambling situation.
 - f) Provided a report on his attendance at the Basin MAC meeting.
 - g) Presented the Statewide Safety Scorecard report for board review.
 - h) RESCO Annual Meeting delegate appointment - Klain was appointed as delegate with Stockdill as alternate.
 - i) Co-Bank director election. A vote will be cast for the incumbent.
 - j) Basin Electric delegate appointment - Odermann was appointed as delegate with Klain as alternate.
 - k) Discussed the 2017 company picnic. A motion was made by Klain, seconded by Stockdill, to suspend the Cooperative's alcohol policy on Cooperative property during the company picnic to be held August 10, 2017. The motion carried.

REPORTS ON MEETINGS ATTENDED:

1. Central Power - Presser
2. Statewide - Stockdill

UPCOMING MEETINGS:

1. The August monthly board meeting will be held on Friday, August 25, 2017, at the North Shore Inn & Suites, Garrison, North Dakota, which shall begin at 8:00 a.m.

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

Secretary