

MCLEAN ELECTRIC COOPERATIVE, INC.

May 28, 2020

The May meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the Cooperative's headquarters in Garrison, North Dakota, on the 28th day of May, 2020. The meeting was called to order by President Larry Gessele, at 8:30 o'clock a.m.

Directors present:

Clarence Behles
Larry Gessele
Karen Hanson
Darcy Klain - via telephone
James Odermann
Troy Presser
Rod Stockdill

Also present were Finance Manager Wendy Kinn, Staff Engineer Lucas Schaaf, Operations Manager Keith Thelen, General Manager/CEO Martin D. Dahl, and Attorney David A. Lindell.

A motion was made and seconded to approve the Consent Agenda which consisted of the minutes of the April 23, 2020, board meeting, additional agenda items, review of director's checks, and approval of the membership and service applications/transfers. The motion carried.

The estates of Julia A. Johnson, Roselle Kostenko, James A. Rist, III., Norma Johnson, Donna Weigel, and Lila Weigel were presented for capital credit retirement. A motion was made and seconded to retire the capital credits for the estates. The motion carried.

STAFF REPORTS:

1. Finance Department - Wendy Kinn. Items discussed and actions taken during the Finance Department report were as follows:
 - a) Provided the Financial Report for the Cooperative which included the review of the April 2020 KW and KWH sales and revenue, financial ratios, the preliminary March 2020 Form 7, and the Budget to Actual Report. April revenue was under-budget by \$5,056.67 with the year to date over \$127,260.72. KWH sales were 448,852 and year to date sales are 1,168,189.
 - b) Reported that 2019 audit is finished. A motion was made and seconded to approve th 2019 audit. The motion carried.
 - c) Reported that the 2019 capital credit allocation for the Cooperative is \$1,079,992.00 consisting of G&T allocation of \$464,300.00 and the

Cooperative allocation of \$615,692.00. A motion was made and seconded to approve the 2019 capital credit allocation. The motion carried.

- d) Management is looking into restructuring the Cooperative's bank accounts to assure the Cooperative has adequate FDIC coverage.
- e) Discussed the Cooperative's 401(k) and the NRECA Audit. The audit found that the 2019 contributions to the employee's 401(k) accounts were not in accordance with the NRECA contract and may be short of what was required.

The board met with Jeff Zueger, General Manager of Midwest Ag Energy, which includes the Blue Flint Ethanol Plant via Zoom to discuss what is happening at the Blue Flint Ethanol Plant in light of the GRE announcement that it intends to close the Coal Creek Station in 2022. He discussed the potential closing and repowering of the ethanol plant as well as CO2 sequestration.

- 2. Engineering Department - Lucas Schaaf. Items discussed and actions taken during the Engineering Department report were as follows:
 - a) Discussed work order close-outs.
 - b) Reported on staking team easement procurements.
 - c) Provided an update of the EV charging stations. They are awaiting shipment of the Level 3 station for Totten Trail and the Legal 2 charging station at the Lewis & Clark Interpretive Center is installed
 - d) Provided an update of the TESLA Power Wall units.
 - e) Reported that West River Telephone has offered to bury conduit in the Brush Lake area for a very reasonable price.
 - f) Reported that the Cooperative has purchased seven SCADA units for substations in the Cooperative's territory.
 - g) The Board reviewed the Construction Work Plan Report.
- 3. Operations Department - Keith Thelen. Items discussed and actions taken during the Operations Report were as follows:
 - a) The board reviewed the minutes of the April 23, 2020, safety committee meeting.
 - b) Provided the work loan and contact labor update.

- c) Discussed a member's issue with a pedestal in the Painted Woods Subdivision.
4. General Manager's/CEO Report - Martin D. Dahl. Items discussed and actions taken during the General Manager's/CEO Report were as follows:
- a) Reported on his RESCO telephone meeting.
 - b) Reported on his Statewide Manager's telephone meeting regarding opening front doors and annual meetings.
 - c) Provided a Blue Flint Ethanol follow-up with the earlier Zoom meeting with Jeff Zueger.
 - d) Discussed cash investments. A motion was made and seconded for the Cooperative to invest with the following amounts with Basin Electric, \$1.25 million for six months and \$1.25 million for Nine months as Basin's rates are currently higher than those of local banks. The motion carried.
 - e) Discussed a Federal Pilot Program for a 50% grant opportunity for off-base military installations which would be an opportunity to rebuild three phase to missile sites at half of the Cooperatives costs.
 - f) Reported that the Cooperative has received a mid-term capital credit capital credit of \$59,681.12 from Basin Electric. The 2019 Basin Electric Retirement was \$146,768.59. The 2019 Central Power allocation was \$12,511.99.
 - g) Discussed the potential Data Center service opportunity. Management will put together a proposed rate for next month's board meeting.
 - h) Reported that no custodial proposals have been received since the last meeting.
 - i) Stated that IBEW negotiation requests have been received and the Unit is ready to start negotiations. The Cooperative's negotiating committee will consist of Odermann, Presser, and Klain.
 - j) Discussed the Cooperative's contract with AmeriPride.
 - k) Reported that the Garrison-Max Ambulance District has submitted a request for a loan from the Cooperative's revolving fund. The request appears in order and the district provided a letter of credit. A motion was made and seconded to approve the loan. The motion carried.

- l) Provided a Basin Electric Commodity update.
- m) Discussed the 2020 Annual Meeting amid the Covid-19 pandemic. The potential Annual Meeting is scheduled for July 21, 2020, which would be a minimal business meeting with no food or prizes provided.
- n) Discussed the potential to serve the City of Underwood.

COMMITTEE REPORTS:

- a) Statewide - Stockdill
- b) Central Power - Presser
- c) Basin Electric - Presser

UPCOMING MEETINGS:

1. The June 2020 board meeting will be held Friday, June 26, 2020, to begin at 8:30 o'clock a.m.

The board went into Executive Session. After the Executive Session, there being no further business, upon a motion made and seconded, the meeting was adjourned.

Secretary