

MCLEAN ELECTRIC COOPERATIVE,

INC. June 25, 2013

The June meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the Company's headquarters in Garrison, North Dakota, on the 25th day of June, 2013. The meeting was called to order by President Alvin Myers at 8:30 o'clock a.m.

Directors present:

Ronald Bloom
Ernest Grueneich
Agnes Jennings
Alvin Myers
Troy Presser
Orvin Ravnaas
Rod Stockdill

Also present were Manager Martin D. Dahl and Attorney David A. Lindell.

A motion was made by Bloom and seconded by Ravnaas to approve the Consent Agenda which consisted of the minutes of the May 23, 2013, board meeting, additional agenda items, review of director's checks, and approval of the membership and service applications. The motion carried.

The estate of Herbert Leupp, was presented for capital credit retirement. A motion was made by Bloom, seconded by Ravnaas, to approve the retirement of the capital credits. The motion carried.

Staff Reports:

1. Business Department - Luke Steen. Items discussed and actions taken during the Business Department Report were as follows:
 - a) Provided the financial review for the Cooperative, which included the KWH usage and revenue for the previous month and year to date review of the May 2013, Form 7, and review of the Financial Ratios and the year- to-date Budget to Actual Report.
 - b) Reviewed the Policy No. 313.0 Retirement of Capital Credits. A motion was made by Ravnaas, seconded by Jennings, to approve the amendment to Policy No. 313.0 as presented which would change the annual discount rate for retirement to the Cooperative's weighted average cost of capital as of January 1st of each year. The motion carried.

- c) Reported on his attendance at the BCBSND Healthcare Training Session and discussed future healthcare implications.
 - d) Reviewed RUS Form 219 Inventory Work Orders. A motion was made by Ravnaas and seconded by Presser to approve the proposed RUS current Form 219. The motion carried.
2. Member Services Department - Darrin Sand. Items discussed and actions taken during the Member Services report were as follows:
- a) Reviewed the 2013 Annual Meeting and reported on his attendance at the 2012 Youth Tour.
 - b) Reported that the 2014 Annual Meeting is set for Tuesday, June 17, 2014, in Garrison.
 - c) Provided a Member Services update for the past month.
3. Operations Department - Wayne Skarda. Items discussed and actions taken during the Operations Department Report were as follows:
- a) Provided a workload and workplan update.
 - b) Fiscal inventory/adjustment write off. He reported proposed adjustment/write-off of electrical material in the amount of \$2,485.42 and merchandise inventory in the amount of \$2,351.36. A motion was made by Presser and seconded by Stockdill to approve the inventory adjustments. The motion carried.
4. Manager's Report- MartinD. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
- a) Provided an Air Force rate update.
 - b) Provided a hazard mitigation update involving the Central Power Transmission Line project. He reported that \$42,000.00 was awarded to the Cooperative as part of the mitigation.
 - c) Provided an update of the Cooperative Engineer hiring.
 - d) Union negotiation Committee appointment. Negotiations will begin June 28, 2013, and the members of the committee are Presser, Ravnaas, and Grueneich.

- e) Provided a Crooked Lake and Brush Lake power issues update.
- f) Discussed long range plan update. A motion was made by Bloom and seconded by Jennings for the Cooperative to go through with a long range plan through a work plan amendment. The motion carried.
- g) Reported that Board Meeting Minutes will be posted to the Cooperative's web site after they have been approved.
- h) Reviewed the 2013 Annual Meeting.
- i) Excess electrical materials discussion. A motion was made by Jennings and seconded by Stockdill to offer the excess materials, not including partial reels of wire, to John Wilcox for \$2,500.00. The motion carried.
- j) Discussed the updated expense vouchers.
- k) Reported that he is gathering estimates for the repair of the Cooperative headquarters roof.
- l) Discussed the NRECA customer satisfaction report.

5. Policy Review - The following policies were reviewed:

- a) Policy No. 315.0 - RUS Economic Development Loan and Grant Program. A motion was made by Ravnaas and seconded by Jennings to approve Policy No. 315.0 as amended. The motion carried.
- b) Policy No. 416.0 - Metering Equipment. A motion was made by Jennings and seconded by Bloom, to approve Policy No. 416.0 as amended. The motion carried.
- c) Policy No. 425.0 - Planned outages. A motion was made by Presser and seconded by Ravnaas, to approve Policy No. 425.0 as presented. The motion carried.
- d) Policy No. 401.0 - Area Coverage. A motion was made by Presser and seconded by Ravnaas to approve Policy No. 401.0 as amended. The motion carried.

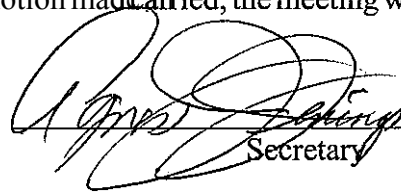
Reports on Meeting attended:

1. Central Power - Presser

Upcoming Meetings:

- a) 2014 Annual Meeting-Tuesday, June 17, 2014, in Garrison, North Dakota.
- b) The next regular Board Meeting is scheduled for Friday, July 26, 2013, at the Lewis & Clark Interpretive Center in Washburn, at 8:30

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



Secretary