

MCLEAN ELECTRIC COOPERATIVE, INC.

November 22, 2013

The November meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the Company's headquarters in Garrison, North Dakota, on the 22nd day of November, 2013. The meeting was called to order by President Alvin Myers at 9:00 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 Jennings and seconded by Bloom to approve the Consent Agenda which consisted of the minutes of the October 31, 2013, board meeting, additional agenda items, review of director's checks, and approval of the membership and service applications. The motion carried.

The estates of Lorra Andrews, Genevieve Johnson and Virginia M. Nelson were presented for capital credit retirement. A motion was made by Presser, seconded by Ravnaas, to approve the retirement of the capital credits. The motion carried.

The bad debts of Clarinda Moore in the amount of \$185.63 and Charles Shumway in the amount of \$68.31 were presented for write off. A motion was made by Presser and seconded by Grueneich to write off the bad debts. 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 October, 2013, Form 7, and review of the Financial Ratios and the Budget to Actual Report.

- b) The Board reviewed the rates for GRE and Blue Flint Energy.
 - c) 2013 Capital Credit Retirement Review. A motion was made by Presser and seconded by Jennings to retire \$190,000.00 of 1993 and 1994 capital credits to be paid in December 2013. The motion carried.
 - d) Health Insurance discussion. Blue Cross/Blue Shield rates will increase 21.3% for 2014. A motion was made by Presser and seconded by Ravnaas to have management ask Blue Cross/Blue Shield to move the Cooperative's Health Insurance anniversary date to March 1st to allow for negotiations regarding any premium increases with the Cooperative's union officials. The motion carried.
2. Member Services Department - Darrin Sand. Items discussed and actions taken during the Member Services report were as follows:
- a) Provided an AMR and member services update.
 - b) Reported on his attendance at the Basin Electric Annual Meeting.

At 10:00 a.m. the Board met with the following candidates for the North Dakota NRECA position, Lynn Jacobson of Burke Divide Electric Cooperative, Curtis Weiss of Northern Plains Electric Cooperative and Doug Lund of NoDak Electric Cooperative. A motion was made by Presser and seconded by Bloom to elect Stockdill as the voting delegate and Jennings as the alternate voting delegate for this election. The motion carried.

3. Operations Report - Martin D. Dahl in place of Wayne Skarda. Items discussed and actions taken during the operations report were as follows:
- a) Provided a November workload/workplan update.
4. Manager's Report - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
- a) Provided a REDL&G update. A motion was made by Jennings and seconded by Bloom for the Cooperative to commit \$10,000.00 to the REDL&G required matching fund balance. The motion carried.
 - b) Provided a revolving fund update.
 - c) Reported on his attendance at the Basin Electric Annual Meeting.

- d) Provided an irrigation update.
- e) Discussed the heat meter issue regarding a member.
- f) Reported that the SmartHub should roll out after January 1st.
- g) Review of Policy No. 610 - Holidays. A motion was made by Presser and seconded by Jennings to approve the proposed amendment to Policy No. 610. The motion carried.
- h) Review of Policy No. 623.0 - Employee Training and Development. No action was taken.

Reports on meeting attended:

- 1. Statewide - Stockdill
- 2. Central Power - Presser

Upcoming Meetings:

- 1. The December Board Meeting is scheduled for Friday, December 20, 2013, at 9:00 a.m., at the Cooperative's headquarters.

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

Secretary