

MCLEAN ELECTRIC COOPERATIVE, INC.

February 26, 2014

The February meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held in the classroom of the Audubon National Wildlife Refuge in Coleharbor, North Dakota, on the 26th day of February, 2014. 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 , Business Department Manager Luke Steen, Member Services Coordinator Darrin Sand, Operations Manager Wayne Skarda and Attorney David A. Lindell.

A motion was made by Jennings and seconded by Ravnaas to approve the Consent Agenda which consisted of the minutes of the January 23, 2014, board meeting, additional agenda items, review of director's checks, and approval of the membership and service applications. The motion carried.

The estates of Emma Olson, Albin Dufner, and Cecilia Amundson were presented for capital credit retirement. A motion was made by Grueneich and seconded by Presser, 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 latest KWH usage and revenue for the previous month and year to date, review of the December, 2013 (year end) Form 7, and review of the financial ratios.
 - b. Reported that he is still waiting for the discount percentage from CFC.

- c. Discussed USAF capital credit retirement and late payments. A motion was made by Ravnaas and seconded by Presser to instruct Management to write to the State's Congressional Delegation and the Secretary of the Air Force regarding the US Air Force delinquent accounts. The motion carried.
 - d. Reported that the RUS Audit was held February 3-6, 2014. The audit went well, but it was suggested that the Cooperative review the oil well line extension policy.
 - e. A Transfer Authorization Resolution was presented for transfer from the construction account to the Cooperative's general fund. A motion was made by Bloom and seconded by Ravnaas to approve the Resolution. The motion carried.
2. Member Services - Darrin Sand. Items discussed and actions taken during the Member Services report were as follows:
- a) Provided AMR update. Reported that the AMR system is at a 97% effective rate and work continues to get the system to 100%.
 - b) Presented an NDSU Extension Office Tree Disease Program donation request. A motion was made by Ravnaas and seconded by Presser for the Cooperative to sponsor up to \$500.00. The motion carried.
 - c) Reported that the Dollars for Scholars sponsorship will continue with Basin Electric matching McLean's contribution for each school. A motion was made by Ravnaas and seconded by Jennings to raise the Cooperative's contribution to \$250.00 for each county school. The motion carried.
 - d) Reported that Kaitlynn Presser has been selected for the 2014 Youth Tour.
3. Operations Department - Wayne Skarda. Items discussed and actions taken during the operations department report were as follows:
- a) Provided a February workload and workplan update.
 - b) The Board acknowledged the minutes of the January 28, 2014, and February 11, 2014, safety meetings.
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 Loan update.

- b) Discussed an asbestos issue in the headquarters building.
- c) Provided an update on the office construction.
- d) Provided a Statewide request for the North Dakota Heritage Center event held in April. No action was taken.
- e) Provided a Basin Electric Cooperative update.
- f) Reported that the Central Power Annual Meeting is scheduled for March 26-27 in Minot. The 2014 Resolutions Committee Delegate will be Bloom with alternate Jennings. The 2014 Voting Delegate will be Jennings. The Board re-appointed Director Presser to the Central Power Board of Directors with Director Ravnaas as alternate.
- g) Provided a REDL&G Loan Commitment request for an industrial park in Underwood. The request was from the Underwood Area Economic Development Corporation. A motion was made by Jennings and seconded by Grueneich to authorize a preliminary commitment to UAEDC. The motion carried.
- h) Discussed the REDL&G Grant and Revolving Loan Fund approval for the Garrison Memorial Hospital. A motion was made by Ravnaas and seconded by Stockdill to approve the grant and fund for the Garrison Memorial Hospital provided that adequate security is provided. The motion carried.
- i) Presented a Revolving Loan Fund Plan Adoption Resolution. A motion was made by Jennings and seconded by Ravnaas to approve the resolution. The motion carried.
- j) Provided a resolution to accept the Basin Electric Power Cooperative Load Forecast for 2013 to 2035. A motion was made by Presser and seconded by Grueneich to approve the load forecast. The motion carried.
- k) Reported that the Cooperative has received offers for the Polux machines. A motion was made by Bloom and seconded by Ravnaas to give management permission to sell the machines. The motion carried.

Reports on meeting attended:

1. Central Power - Presser

The Board Meeting recessed for the Board and Management to have a strategic planning session.

On Friday, February 27, 2014, at 9:00 a.m. the Board came back into session to officially review and sign the Resolutions that were approved during the meeting the previous day. Manager Dahl provided the Basin Electric load forecast in detail. McLean Electric numbers were reduced by Manager Dahl for this study due to reduced oil development. Reductions were also done in relation to possible NAWS pumping station.

Work Order Inventories 249 and 250 were discussed. A motion was made by Bloom and seconded by Ravnaas to approve the work order inventories. The motion carried.

President Myers proposed a possible resolution to submit to Central Power Electric Cooperative Resolutions Committee in regards to the North Dakota Outdoor Heritage Fund, with the intent to obtain funds when line reroutes are required due to preservation/conservation initiatives. A motion was made by Ravnaas and seconded by Presser to submit the Resolution to the Central Power Resolutions Committee. The motion carried.

Upcoming Meetings:

1. Central Power Cooperative Annual Meeting - March 26-27, 2014, in Minot.
2. The next Board Meeting is scheduled for Thursday, March 27, 2014, in Minot, North Dakota, at 11:00 a.m. following the adjournment of the Central Power Cooperative Annual Meeting.
3. A motion was made by Jennings and seconded by Stockdill to have the manager and his spouse attend the Heritage Center meeting on April 24, 2014, and the Board pay the ticket costs. The motion carried.

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

Secretary