

MCLEAN ELECTRIC COOPERATIVE, INC.

March 27, 2014

The March meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held in the Maple Leaf Room at the Grand Hotel, Minot, North Dakota, on the 27th day of March, 2014. The meeting was called to order by President Alvin Myers at 11:25 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 Stockdill and seconded by Bloom to approve the Consent Agenda which consisted of the minutes of the February 26, 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 Stanley See Walker, Ardella Landsiedel, Myron Kerzman, Lynn Voth, Robert Sethen, Arnold Charging, and Daveda Jensen were presented for capital credit retirement. A motion was made by Presser and seconded by Jennings, 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 February, 2014, KWH usage and revenue and year to date, a review of the 2013, year end and the January, 2014, Form 7, Financial Ratios and Budget to Actual reports.

- b. Reviewed Policy No. 313.0. Retirement of Capital Credits, General, Joint Membership and Estate to allow for the right of set-off when retiring capital credits that had a balance due account. A motion was made by Presser and seconded by Grueneich to approve the proposed change. The motion carried.
  - c. Reviewed Policy Nos. 306 and 307. Special Consumer Charges-Disconnection and Reconnection Non-Payment. The Board determined that the current policy was adequate but did provide guidance on how to implement the policy during the portion of the year when the linemen will be working four, ten hour days. If the member calls in for a reconnect between the hours of 8:00 a.m. and 3:00 p.m. on Monday through Thursday it will be considered during business hours. If it is after 3:00 p.m. Monday through Thursday or anytime on Friday through Sunday, the after-hours disconnect rate will be in effect. No other action was taken.
  - d. Reviewed Policy No. 312.0 Purchasing Practices and Procedures to increase the threshold for capitalization of general plant items to \$1,500.00 from \$500.00. A motion was made by Jennings and seconded by Bloom to approve the increase of capitalization. The motion carried.
  - e. Discussed the base charge impact by consumer usage level.
2. Member Services - Darrin Sand. Items discussed and actions taken during the Member Services report were as follows:
- a) Provided AMR update.
  - b). Reported that the Cooperative is catching up on its heat meter installs.
  - c) Provided a Dollars for Scholars update.
  - d) Provided solar panel cost information
3. Operations Department - Wayne Skarda. Items discussed and actions taken during the operations department report were as follows:
- a) Provided a March workload and workplan update.
  - b) Reported on the AT&S Safety Meeting held on March 4, 2013.
  - c) Reported that the electrical materials and merchandise inventory was taken in January. Necessary inventory adjustments of electrical materials were

plus \$1,018.80 and merchandise minus \$3,346.87. A motion was made by Ravnaas and seconded by Presser to approve the adjustments. The motion carried.

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) Reported that progress is being made on the Air Force Account.
- c) Reported that he has found no takers for the building asbestos abatement.
- d) Reported that office remodel construction has begun.
- e) Reported on his attendance at the NISC Annual meeting.
- f) Reported on his attendance at NRECA Annual meeting.
- g) Discussed proposed By-Law Amendments.
  - 1. To add a three (3) year cool off period before a former employee would be able to run for a director seat. The proposed language would be added to Line (c) of Section 3 of Director qualifications as follows:
    - c) Is not a full time employee of McLean Electric Cooperative and has not been a full time employee for a period of 3 years prior to the date of the Annual Meeting.

A motion was made by Presser and seconded by Grueneich to present the proposed By-Law Amendment to the membership at the 2014 Annual Meeting. The motion carried.

- h) Discussed the addition of the requirement of arbitration to settle consumer claims. A motion was made by Ravnaas and seconded by Stockdill to direct management to develop language to be presented to membership at the 2014 annual meeting. The motion carried.

Reports on meeting attended:

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

3. NRECA Annual Meeting - Grueneich

Upcoming Meetings:

1. The next Board Meeting is scheduled for Wednesday, April 23, 2014, at 8:00 a.m.
2. The May Board Meeting scheduled for Thursday, May 22, 2014.

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

---

Secretary