

MCLEAN ELECTRIC COOPERATIVE, INC.

May 22, 2014

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 22nd day of May, 2014. 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 Presser and seconded by Jennings to approve the Consent Agenda which consisted of the minutes of the April 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 Janet Snyder, Emil Schmidt and Dan Birst were presented for capital credit retirement. A motion was made by Bloom and seconded by Grueneich, to approve the retirement of the capital credits. The motion carried.

The Board had a discussion regarding quality of service at Brush Lake and complaints from patron Quentin Wangler. No action was taken.

STAFF REPORTS:

1. Business Department - Luke Steen. Items discussed and actions taken during the Business Department report were as follows:
 - a. Provided the financial report for the cooperative which included the April, 2014, KWH usage and revenue, a review of the April, 2014, Form 7, Financial Ratios analysis, the February, March, and April, 2014, budget to actual reports, and a graph showing the heat KWH usage each winter since 2009.

- b. Reviewed the 2013 external audit. No significant findings was reported. A motion was made by Presser and seconded by Bloom to approve the 2013 audit. The motion carried.
 - c. Provided an update of the RUS 2% funds refinance.
 - d. Provided an update of the General Manager Retirement Plan.
 - e. Reported n the NRECA Medical Plan possibility for the Cooperative.
2. Member Services - Darrin Sand. Items discussed and actions taken during the Member Services report were as follows:
- a) Provided AMR update.
 - b) Provided an office construction update.
 - c) Provided an LED Grant update.
 - d) Provided a 2014 Annual Meeting preparation update.
3. Operations Department - Wayne Skarda. Items discussed and actions taken during the operations department report were as follows:
- a) Provided a May workload and workplan update.
 - b) The Board acknowledged the minutes of the April 29, 2014, Safety Committee meeting and AT&S Safety Meeting.
 - c) The Board welcomed Keith Thelan as the new operations manager for the Cooperative.
 - d) The Board wished Wayne Skarda good luck in his new endeavors and thanked him for his service to the Cooperative.
4. Manager's Report - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
- a) Provided an update on the REDL&G loan with Garrison Hospital. The documents appear complete and the project is waiting for USDA funding.
 - b) Provided an office construction update.

- c) Discussed Central Power Electric Cooperative. Reported that Central Power has agreed to pay for the distribution changes to the three substations that were converted to 115 KV.
- d) Provided a summer worker update.
- e) Reported that the hiring of the locator/warehouseman interview process is ongoing.
- f) Reported on his attendance at the NRECA Legislative Rally held in early May.

Other business:

1. The Board met with representatives of Great River Energy, Blue Flint Energy and Knorr DS, LLC regarding a REDL&G Loan Application for an expansion of Coal Creek Drying and Storage, in the amount of \$2,000,000.00. After the presentation, the Board directed management to obtain more information regarding the loan application with the Board to review the results within one week of the May Board Meeting.

Reports on meetings attended:

1. NRECA 2014 Legislative Conference - Stockdill and Presser.

Upcoming Meetings:

1. The 69th Annual Member Meeting is scheduled for Tuesday, June 17, 2014, in Garrison, with the dinner starting at 5:00 p.m.
2. The next regular Board Meeting is scheduled for Thursday, June 26, 2014, at 8:30 a.m.

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


Secretary