

MCLEAN ELECTRIC COOPERATIVE, INC.

November 25, 2014

The November meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the Cooperative's Headquarters in Garrison, North Dakota, on the 25th day of November, 2014. The meeting was called to order by President Alvin Myers at 9:05 o'clock a.m.

Directors present:

Clarence Behles
Larry Gessele
Ernest Grueneich
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 Behles to approve the Consent Agenda which consisted of the minutes of the October 24, 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 Darlene Helgeson, Rodney Schlafmann and Annabelle Sund were presented for capital credit retirement. A motion was made by Behles and 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 report for the cooperative which included the KWH usage and revenue, a review of the October, 2014, Form 7, Financial Ratios analysis, and review of the budget to actual reports for October, 2014.
 - b. Federated Insurance Umbrella liability coverage update. The cost of the insurance is \$1,350.00 for each additional \$1,000,000.00 of coverage. A motion was made by Ravnaas and seconded by Grueneich to raise the Cooperative's umbrella liability coverage to \$10,000,000.00. The motion carried.

- c. 2014 Capital Credit Retirement discussion. \$220,000.00 was budgeted to be retired in 2014 and the Cooperative received \$27,771.00 of Basin Electric G&T Capital Credits. A motion was made by Presser and seconded by Ravnaas to retire \$220,000.00 of the Cooperative's Capital Credits and to pass through to the Cooperative patrons the G&T Capital Credits. The motion carried.
 - d. 2015 Budget discussion. A motion was made by Ravnaas and seconded by Grueneich to approve the 2015 Budget as changed during the discussion. The motion carried. During the discussion it was stated that the budget was based on an increase of a \$3.00 monthly base charge for single and 3 phase customers.
2. Operations Department - Keith Thelen. Items discussed and actions taken during the operations department report were as follows:
- a) Provided a work plan/work load update for November, 2014.
 - b) Reported on a AT&S Safety Field Meeting held on November 11, 2014.
3. Manager's Report - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
- a) Report on the Member Advisory Committee meeting.
 - b) Provided a report on the Basin Electric Annual Meeting.
 - c) Provided a Blue Cross Blue Shield update. No increase will occur in 2015.
 - d) Provided a member services update.
 - e) Provided an Operation Round Up report. \$2,500.00 was presented to McLean Family Resource Center and \$2,5000.00 was presented on behalf of John Krebsbach.
 - f) Reported that the Cooperative Co-bank regional meeting is scheduled for March 31st - April 1, 2015 in Fargo/Moorhead.
 - g) Provided an Underwood Franchise update.
 - h) Reviewed Policy No. 402 Member Service and Line Extensions. A motion was made by Presser and seconded by Stockdill to approve Policy No. 402 as amended. Motion carried.

- i) The Board reviewed a letter that Manager Dahl will send to the Environmental Protection Agency regarding proposed carbon pollution rules.
- j) Discussed the NDSU Quentin Burdick Center for Cooperative funding request. A motion was made by Presser and seconded by Behles for the Cooperative to pledge \$5,500.00 payable over a 5 year period to the center. The motion carried with Ravnaas and Grueneich voting no.
- k) NRECA delegate appointment. Ravnaas appointed delegate with Grueneich as alternate.

Reports on meetings attended:

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

Upcoming Meetings:

- 1. The next regular Board Meeting is scheduled for Tuesday, December 23, 2014, at 9:00 o'clock a.m.

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

Secretary