

MCLEAN ELECTRIC COOPERATIVE, INC.

June 27, 2016

The June meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the company's headquarters in Garrison, North Dakota, on the 27<sup>th</sup> day of June, 2016. The meeting was called to order by President Larry Gessele, who called the meeting to order at 8:40 o'clock a.m.

Directors present:

Larry Gessele  
Darcy Klain  
James Odermann  
Troy Presser  
Rod Stockdill

Directors absent:

Clarence Behles  
Thomas Sheldon

Also present were Manager Martin D. Dahl and Attorney David A. Lindell.

A motion was made by Presser and seconded by Stockdill to approve the Consent Agenda which consisted of the minutes of the May 26, 2016, board meeting, additional agenda items, review of director's checks, and approval of the membership and service applications. The motion carried.

The estates of Wilfred Kerzmann and Lucille Miller, were presented for capital credit retirement. A motion was made by Stockdill and seconded by Klain to approve the retirement of the capital credits. The motion carried.

STAFF REPORTS:

1. Business Department - Brett Holtz. 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 for May 2016, review of the May 2016, Form 7, and financial ratios for May, 2016.
  - b) Reported that a Federated Insurance visit will take place in August.
  - c) Discussed employee 401(k) plan in which the custodian could change to NRECA from John Hancock.

2. Engineering Department - Scott Iverson. Items discussed and actions taken during the Engineering Manager's Report were as follows:
  - a) Provided a SCADA update. He reported that the software has been installed and is operational on Keith Thelen's computer.
  - b) Provided an IT update.
  - c) Reported that the mapping software to Cara Shonauer's computer is complete.
  
3. Operations Department - Keith Thelen. Items discussed and actions taken during the Operations Department Report were as follows:
  - a) Provided a June work load/work plan update and a June 11<sup>th</sup> outage repair report.
  - b) Provided a contract labor update.
  - c) The board acknowledged the minutes of the June 1, 2016 Safety Committee meeting.
  - d) Reported that there have been 94 work orders to date.
  
4. Manager's Report - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
  - a) Provided an RDFC meeting report.
  - b) Provided a Dakota's America meeting report.
  - c) Reported that the rate increase from Central Power will be 10.5% for KWH and 11.5% for KW.
  - d) Provided a member services report and that the Cooperative received an LED grant, but primary work was done for Annual Meeting preparation.
  - e) Provided a review of the 71<sup>st</sup> Annual Meeting.
  - f) Reported on his attendance at the Basin's MAC meeting. DGC costs will overrun the plant expansion.
  - g) Discussed the possible office expansion.

- h) Discussed Garrison Rural Water District and the Cooperative's involvement with GRWD. A joint meeting between MEC and GRWD boards will be held in August.

REPORTS ON MEETINGS ATTENDED:

- 1. Statewide - Stockdill
- 2. Central Power - Presser
- 3. Basin Electric - Presser

UPCOMING MEETINGS:

- 1. The next regular board meeting is scheduled for Thursday, July 28, 2016, at 9:00 a.m. which will be held at the Verendrye Electric - Minot office.

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

---

Secretary