

MCLEAN ELECTRIC COOPERATIVE, INC.
October 27, 2016

The October meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the company's headquarters, at Garrison, North Dakota, on the 27th day of October, 2016. The meeting was called to order by President Larry Gessele, at 1:00 o'clock p.m.

Directors present:

Clarence Behles
Larry Gessele
Darcy Klain
James Odermann
Troy Presser
Thomas Sheldon
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 September 27, 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 Lorraine Sheridan, Ione Heger, and George Benshoff, Sr., were presented for capital credit retirement. A motion was made by Behles, seconded by Klain, to approve the retirements. 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 September 2016; review of the September 2016 financial ratios; and September 2016, Form 7.
 - b) Reported that WSI rates have decreased for 2017.
 - c) Discussed Cyber Liability Protection Insurance from Federated Insurance. A proposal has been received. A motion was made by Presser, seconded by Stockdill, for the Cooperative to purchase Cyber Liability Protection Insurance from Federated. The motion carried.

- d) Reviewed Policy No. 615.0 - Personal tools, equipment and uniforms to add casual business attire recommendation language. A motion was made by Stockdill, seconded by Odermann, to approve the casual business attire recommendations language as presented. The motion carried.
2. Engineering Department - Scott Iverson. Items discussed and actions taken during the Engineering Department's Report were as follows:
- a) Provided a Garrison Creek Cabin Site update. The project is ready to proceed but will not begin until Spring 2017.
 - b) Discussed the 2017-2020 construction work plan. The plan has an estimated \$14,688,000.00 four year work plan. A resolution was presented to approve the 2017-2020 construction work plan. A motion was made by Behles, seconded by Odermann, to approve the resolution approving the work plan. The motion carried.
 - c) A resolution was presented to have Manager Dahl be the certifier on behalf of the Cooperative responsible for submitting and conveying information to RUS, with Brett Holtz to be the administrator to have access to the data. A motion was made by Stockdill, seconded by Klain, to approve the resolution. The motion carried.
 - d) The board acknowledged the minutes of the October 5, 2016, Safety Committee meeting.
3. Operations Department - Keith Thelen. Items discussed and actions taken during the Operations Department Report were as follows:
- a) Provided October work plan update.
 - b) Provided a contract labor update.
 - c) Reported that the new tilt-bed trailer has arrived.
 - d) Discussed Turtle Lake shop replacement. He reported that there is a building in Turtle Lake that is for sale. A motion was made by Behles, seconded by Sheldon, to offer to the buildings owner, Paul Weinberger, \$120,000.00. The motion failed by hands vote of 3 to 3, with Klain abstaining from voting. A motion was made by Behles, seconded by Stockdill, to table this discussion until the November board meeting. 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 an NDMRAC meeting report.
 - b) Provided a Basin Electric MAC meeting report.
 - c) Discussed the Garrison Rural Water District. The GRWD board has asked to meet with the Cooperative board to discuss the Cooperative's future involvement.
 - d) Reported on the 4-H donation request. RDFC has approved the Cooperative's match. A press release will be forthcoming.
 - e) Reported that the IBEW has executed the union employee agreement and is ready for signatures by the Cooperative. A motion was made by Klain, seconded by Behles, to approve the contract and direct the President and Secretary to execute the contract on behalf of the Cooperative. The motion carried.
 - f) NDAREC Annual Meeting delegate appointments. Klain, Stockdill, Sheldon, and Behles were appointed. Statewide Delegate Election appointment - Stockdill was appointed delegate with Klain as alternate.
 - g) NRECA Annual Meeting delegate in San Diego - Gessele will be the delegate with Stockdill as the alternate.

REPORTS ON MEETINGS ATTENDED:

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

UPCOMING MEETINGS:

1. Basin Electric Annual Meeting is November 8-10, 2016, in Bismarck.
2. The next regular board meeting is scheduled for Wednesday, November 23, 2016, at 9:00 a.m. which will be held at the Cooperative's headquarters.

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

Secretary