

MCLEAN ELECTRIC COOPERATIVE, INC.
September 27, 2016

The September 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 September, 2016. The meeting was called to order by President Larry Gessele, at 8:30 o'clock a.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 Behles and seconded by Sheldon to approve the Consent Agenda which consisted of the minutes of the August 25, 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 Karl Narum, Marjorie Sondrol, Randall Nelson were presented for capital credit retirement. A motion was made by Klain, seconded by Presser, to approve the retirement. The motion carried.

STAFF REPORTS:

1. Operations Department - Keith Thelen. Items discussed and actions taken during the Operations Department Report were as follows:
 - a) Provided a September work load/work plan update along with a report with the Contract Labor update.
 - b) Discussed work order inspection with Manager Dahl. A motion was made by Stockdill, seconded by Odermann, to approve the work order inspections and allow President Gessele to execute the application for loan draw down to allow projects and to close prior to the October board meeting. The motion carried.

2. 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 August 2016; review of the August 2016 financial ratios; and August 2016, Form 7. He reported that revenue to date is slightly ahead of budget.
 - b) Reported on various meetings staff members attended during August and September.
 - c) Reported that he is working on a casual attire policy for the employees that he will present at the next board meeting.
 - d) Stated that the Cooperative has started a Health Committee with help from Sanford Profile.
 - e) Reported that some of the Cooperative employees will be manning a Touchstone Energy booth during this year's Norsk Hostfest.
3. Engineering Department - Scott Iverson. Items discussed and actions taken during the Engineering Manager's Report were as follows:
 - a) Provided a SCADA update that will give a date/time stamps for all events of the reclosures.
 - b) Discussed the construction work plan. Tim Bohan of RUS met with the Cooperative staff and a final draft will be presented during the October board meeting.
 - c) Provided the Garrison Cabin Site Area update.
 - d) The board acknowledged the minutes of the September 15, 2016, Safety Committee meeting.
4. Manager's Report - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
 - a) Provided a report of his attendance at the Central Power MAC meeting. The Max/Benedict line is progressing towards construction.
 - b) Discussed Basin Electric's Consumer Energy purchase rate.

- c) Provided a report on his attendance at the Region VI meeting
- d) Provided a Member Services report. He is obtaining pricing for the Garrison Rural Water District metering.
- e) Presented a donation request for the Western 4-H Camp. A motion was made by Klain, seconded by Stockdill, for the Cooperative to donate \$2,000.00 as a match for a \$2,000.00 RDFC grant in lieu of providing in-kind service. The motion carried.
- f) Reported that the health insurance premium increase for employee's spouses was 10.7% and that other rates averaged approximately a 4% increase.
- g) Presented the Resolution regarding the Basin Electric Load Forecast for 2016 through 2025. A motion was made by Presser, seconded by Klain, to adopt and approve said Resolution. The motion carried.

REPORTS ON MEETINGS ATTENDED:

- 1. Basin Electric - Presser
- 2. Statewide - Stockdill

OTHER BUSINESS:

- 1. The board discussed the 2016 budget regarding items that have been removed from the budget currently.
- 2. The board reviewed the tabulation of the General Manager evaluations.

UPCOMING MEETINGS:

- 1. The next regular board meeting is scheduled for Thursday, October 27, 2016, at 9:00 a.m. which will be held at the Cooperative's headquarters.

The board went into Executive Session to discuss General Manager compensation. Upon adjournment of the Executive Session, there being no further business, upon a motion made and carried, the meeting was adjourned.

Secretary