

MCLEAN ELECTRIC COOPERATIVE, INC.
December 28, 2017

The December meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the Company's headquarters, in Garrison, North Dakota, on the 28th day of December, 2017. The meeting was called to order by President Larry Gessele, at 9:30 o'clock a.m.

Directors present:

Clarence Behles
Larry Gessele
Darcy Klain
James Odermann
Troy Presser
Thomas Sheldon
Rod Stockdill

Also present were Finance Manager, Wendy Kinn, Engineering Technician Cara Bauer, Operations Manager Keith Thelen, General Manager/CEO Martin D. Dahl and Attorney David A. Lindell.

A motion was made by Behles, seconded by Odermann, to approve the Consent Agenda which consisted of the minutes of the November 30, 2017, board meeting, additional agenda items, review of director's checks, and approval of the membership and service applications. The motion carried.

The estates of Verna Schmicke, Joseph Flath, Dennis Anderson, Mavis Lyon, and Donna Deegan, were presented for capital credit retirement. A motion was made by Presser, seconded by Stockdill, to approve the estate retirements. The motion carried.

STAFF REPORTS:

1. Business Department - Martin D. Dahl and Finance Manager, Wendy Kinn. Items discussed and actions taken during the Business Department's Report were as follows:
 - a) Provided the Financial Report for the Cooperative which included the YTD KWH use and revenue, review of the November 2017, preliminary Form 7, and November 2017 financial ratios.
2. Engineering Department - Cara Bauer. Items discussed and actions taken during the Engineering Department's Report were as follows:

- a) Provided a workload update. She is procuring easements for 2018 construction.
 - b) Provided an IT update. She informed the board that NRG was awarded a service contract.
3. Operations Department - Keith Thelen. Items discussed and actions taken during the Operations Report were as follows:
- a) Provided a workload/workplan and contract labor update.
 - b) The board acknowledged the minutes of the Safety Committee meeting held December 6, 2017.
4. General Manager's Report - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
- a) Provided an update on his search for a benefits administrator.
 - b) Reported that the RUS Loan is complete and loan proceeds are available.
 - c) Provided a solar energy update.
 - d) Reported that the building project is nearly complete.
 - e) Reported that he was elected to the Lewis & Clark Development Corporation Board of Directors.
 - f) Presented a WAPA rate notice that the WAPA rate will decrease starting January 1, 2018.
 - g) NRECA 401(k) discussion. He presented a Safe Harbor 401(k) Provisions Resolution which would grant the General Manager the authority to execute 401(k) documents on behalf of the Cooperative. A motion was made by Behles, seconded by Stockdill, to approve the resolution. The motion carried.
 - h) Provided a report on his attendance at the Midwest Annual Meeting.
 - i) Bad debt write-off. Bad debts of Bernadette Jackson in the amount of \$87.52 and Dennis James in the amount of \$229.27 were presented for write-off. A motion was made by Presser, seconded by Behles, to approve the bad debt write-off. The motion carried.

- j) Provided an NISC Capital Credit Report.
- k) Announced that 2018 ACRE dues will be deducted from directors stipends.
- l) Reviewed with the board the NRECA Directors AD&D Insurance Summary Plan descriptions.
- m) Discussed per diem allowances for meals and incidentals for employees and directors. A motion was made by Stockdill, seconded by Klain, for the Cooperative to eliminate the meals and incidentals per diem and go back to actual expenses. The motion carried.

REPORTS ON MEETINGS ATTENDED:

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

UPCOMING MEETINGS:

- 1. Statewide Annual Meeting - January 16th and 17th, 2018, in Bismarck, ND.
- 2. Strategic Planning is scheduled for Thursday and Friday, February 22-23, 2018.
- 3. The January monthly board meeting will be held on Thursday, January 25, 2018, at the Cooperative's headquarters which shall begin at 9:30 a.m.

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

Secretary