

MCLEAN ELECTRIC COOPERATIVE, INC.  
November 30, 2017

The November meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the Company's headquarters, in Garrison, North Dakota, on the 30<sup>th</sup> day of November, 2017. 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 General Manager Martin D. Dahl and Attorney David A. Lindell.

The first order of business was a discussion regarding the Garrison Rural Water District and the District's desire to extend the use of the Cooperative's facilities and employees beyond the December 31, 2017, deadline set by the Cooperative. No action was taken as a representative of GRWD was scheduled to join the discussion later in the meeting.

Engineering Technician Cara Bauer, Finance Manager, Wendy Kinn, and Operations Manager, Keith Thelen, then joined the meeting.

A motion was made by Klain, seconded by Odermann, to approve the Consent Agenda which consisted of the minutes of the October 26, 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 James Vossler, JoAnn Zimmerman and Tessie Lagge were presented for capital credit retirement. A motion was made by Presser, seconded by Behles, 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 KWH use and revenue for October 2017, review of the October 2017 preliminary Form 7, financial ratios, and year-to-date usage and revenue.

The remainder of the Business Department Report was postponed for the Board to meet with Garrison Rural Water District Board Member, Diane Stockdill, without staff members other than Manager Martin D. Dahl present. Stockdill asked the Board for an extension of Cooperative Executive Assistant, Renee Fetzer's services to the Water District until March or April 1, 2018. After the meeting, a motion was made by Odermann, seconded by Sheldon, to extend Renee Fetzer's services to GRWD until January 31, 2018. The motion carried with Presser voting no.

- b) 2018 Budget and Discussion. During the discussion, a motion was made by Klain, seconded by Stockdill, for the Cooperative to retire capital credits to the patrons in December 2017 in the amount of \$315,720.50. The motion carried.
  - c) A motion was made by Stockdill, seconded by Odermann, to approve the 2018 budget with the requirement that more information will be gathered before a TESLA Pilot Project would be initiated. The motion carried.
2. Engineering Department - Cara Bauer. Items discussed and actions taken during the Engineering Department's Report were as follows:
- a) Provided a work order update and mentioned that the 2018 easement process has begun.
  - b) Provided an IT update. She reported that the Cooperative is interviewing for a company to assist with the Cooperative's IT needs over and above that of BTI.
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 and discussed regulator inspections.
  - b) The board acknowledged the minutes of the Safety Committee meeting held November 2, 2017.
  - c) Reviewed the RUS Operations and Maintenance report with the Board. He mentioned that a new GPS unit with the cost of approximately \$8,000.00 is needed. A motion was made by Behles, seconded by Sheldon, to purchase a new GPS unit. The motion carried.

4. General Manager's Report - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
  - a) Reported that Wendy Kinn has accepted salary position as a Finance Manager.
  - b) Provided a co-op financing update and reported that the preliminary Co-Bank loan documents are ready for signatures and submission.
  - c) Presented the Board a Corp of Engineers Certificate of Authority. A motion was made by Stockdill, seconded by Klain, for the Cooperative to execute the certificate. The motion carried.
  - d) Discussed the travel policy for when to fly and it was agreed that such determination will be made on a case-by-case basis.
  - e) Provided a solar pumping update. He reported that Verendrye Electric is willing to transfer the pumps that they serve within McLean Electric's territory to the Cooperative.
  - f) Provided a building project update.
  - g) Reported that the Lewis & Clark Development Group has asked Manager Dahl to be a member of its Board of Directors. The Board gave Manager Dahl verbal approval for such membership.
  - h) Discussed the director orientation packet.
  - i) Management Contract and Manager goals for 2018. The staff members were asked to leave the meeting and President Gessele presented a proposed Manager's Contract. A motion was made by Stockdill, seconded by Presser, to approve a three year Management Contract for 2018 to 2020 as presented. The motion carried.

REPORTS ON MEETINGS ATTENDED:

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

UPCOMING MEETINGS:

1. The December monthly board meeting will be held on Thursday, December 28, 2017, 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.

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Secretary