

MCLEAN ELECTRIC COOPERATIVE, INC.  
September 28, 2017

The September meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held in the new board room at the Company's headquarters, in Garrison, North Dakota, on the 28<sup>th</sup> day of September, 2017. 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 General Manager Martin D. Dahl, Operations Manager, Keith Thelen, and Attorney David A. Lindell.

A motion was made by Stockdill, seconded by Klain, to approve the Consent Agenda which consisted of the minutes of the August 25, 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 Elaine Fisher, Lawrence Kerzman, and Myron Morris were presented for capital credit retirement. A motion was made by Presser, seconded by Sheldon, to approve the estate retirements. The motion carried.

STAFF REPORTS:

1. Business Department - Martin D. Dahl substituting for Brett Holtz. 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 August 2017, review of the August 2017 preliminary Form 7, financial ratios, and year-to-date budget to actual reports.
  - b) 401(k) Benefits discussion - NRECA determined that there should be a one year waiting period before a new employee can participate in the Cooperative's 401(k) which is against the current Cooperative policy that allows for eligibility after one month. A motion was made by Presser, seconded by Stockdill, to allow a new hire to be eligible for the Cooperative's 401(k) plan after one month of employment. The motion carried.

2. Engineering Department - Martin D. Dahl substituting for Engineering Technician, Cara Bauer. Items discussed and actions taken during the Engineering Department's Report were as follows:
  - a) Reported that the security system has been installed.
  - b) Provided a work plan update.
  - c) Reported that the Citrix Server is set up for use by the employees.
3. Operations Department - Keith Thelen. Items discussed and actions taken during the Operations Report were as follows:
  - a) Provided the September workload/workplan update.
  - b) Provided a Contract Labor report.
  - c) The board acknowledged the minutes of the Safety Committee meeting held August 29, 2017.
4. General Manager's Report - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
  - a) Discussed a motor policy issue that occurred with Semchenko Electric. A motion was made by Behles, seconded by Stockdill, for the Cooperative to pay a restocking fee Semchenko Electric incurred in the amount of \$4,197.69, which occurred before the new policy was adopted. The motion carried.
  - b) Provided a Dakotas America Report.
  - c) Reported that the RUS Loan is still ongoing.
  - d) Discussed the Hideaway Point irrigation system and that a new contract will be presented.
  - e) Provided a Region 6 meeting report with Director Klain.
  - f) Discussed a CFC Termination Agreement to terminate the Cooperative's agreement to subscribe to capital term certificates dated as of September 23, 2004, and as amended.
  - g) Solar Pump Agreement review. One patron has installed a pump with others that are interested in doing so.

REPORTS ON MEETINGS ATTENDED:

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

UPCOMING MEETINGS:

1. The October monthly board meeting will be held on Thursday, October 26, 2017, at the Cooperative's headquarters which shall begin at 1:00 p.m., and followed by the Member Advisory Committee meeting and dinner.

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

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Secretary