

MCLEAN ELECTRIC COOPERATIVE, INC.

March 22, 2018

The March meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the Company's headquarters, in Garrison, North Dakota, on the 22nd day of March, 2018. The meeting was called to order by President Larry Gessele, at 9:00 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, Benefits Manager, Sonya Moe, General Manager/CEO Martin D. Dahl and Attorney David A. Lindell.

The first order of business was for the board to go into Executive Session without employees. After the Executive Session, the main meeting continued.

A motion was made by Behles, seconded by Klain, to approve the Consent Agenda which consisted of the minutes of the February 19, 2018, board meeting, additional agenda items, review of director's checks, and approval of the membership and service applications. The motion carried.

The estates of Gladys Eisenrich and Stella Boyko 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. Benefits Manager - Sonya Moe. Items discussed and actions taken during the Benefits Manager's Report were as follows:
 - (a) 401(k) discussion regarding a proposed amendment to the current contract. A motion was made by Presser, seconded by Stockdill, to amend the 401(k) contract to include a part of the excluded class of employees, part-time, temporary and seasonal employees who had not completed one (1) year of employment. The motion carried.

2. Finance Department - Wendy Kinn. Items discussed and actions taken during the Finance Department were as follows:
 - a) Provided the Financial Report for the Cooperative which included the KWH sales use and revenue, 2017 Budget to Actual review, preliminary February Form 7, financial ratios and YTD usage and revenue.
 - b) Reported that the new truck lease is completed.
 - c) Review Policy No. 317 Fiscal Oversight & Review. A motion was made by Klain, seconded by Sheldon, to amend Policy No. 317 for management to provide a budget to actual report on a quarterly basis rather than a monthly basis. The motion carried.

3. Engineering Department - Manager Martin D. Dahl in place of Engineering Technician, Cara Bauer, who was attending the Operations and Engineering Conference. Items discussed and actions taken during the Engineering Department's Report were as follows:
 - a) Reported on his attendance at the Operations and Engineering Conference.
 - b) Provided a staking/mapping update.
 - c) Provided an IT server conversion update.

3. Operations Department - Manager Martin D. Dahl in place of Keith Thelan who was attending the Operations and Engineering Conference. Items discussed and actions taken during the Operations Report were as follows:
 - a) Provided the March workload update.
 - b) Reviewed the latest Safety Report.
 - c) The board acknowledged the minutes of the March 17, 2018, Safety Committee meeting.

4. General Manager's/CEO Report - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
 - a) Provided a staffing search update.
 - b) Reported that the Co-Bank Loan documents are ready for signing.

- c) Provided an RDFC update.
- d) Reported on the 2017 audit. The auditors have visited the Cooperative and disclosed an issue with daily reconciliations.
- e) Lewis & Clark Interpretive Center metering and billing error which will result in a refund to the State of North Dakota, reinstatement of the capital credits, and a bill credit are suggestions to remedy the error. A motion was made by Sheldon, seconded by Klain, to provide the suggested remedies to the patron. The motion carried.
- f) Reported on his attendance at the NRECA Annual Meeting. He mentioned that battery usage was a major discussion topic.
- g) Reviewed the Safety Performance Report with the board.
- h) Presented a solicitation from the Air Force Society of American Military Engineers for membership. A motion was made by Odermann, seconded by Presser, for the Cooperative to become a member. The motion carried.
- i) Work Order Certification for loan draw down pursuant to RUS Form 219. A motion was made by Klain, seconded by Behles, to approve the Work Order Certification. The motion carried.
- j) Provided the results of the Cooperative personal property auction.

REPORTS ON MEETINGS ATTENDED:

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

OTHER BUSINESS:

- 1. A motion was made by Stockdill, seconded by Sheldon, to allow President Gessele to attend the 2018 CoBank Gettysburg Leadership Conference. The motion carried.
- 2. Greater North Dakota Association (GNDA) membership request. A motion was made by Odermann, seconded by Stockdill, to table the discussion until the April board meeting. The motion carried.

UPCOMING MEETINGS:

1. Central Power Annual Meeting - March 28-29, 2018, in Minot, ND.
2. The April monthly board meeting will be held on Tuesday, April 24, 2018, at the Cooperative's headquarters which shall begin at 8:30 a.m.
3. The May monthly board meeting will be held on Tuesday, May 22, 2018, beginning at 8:30 a.m..

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

Secretary