

MCLEAN ELECTRIC COOPERATIVE, INC.

April 2, 2019

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 2nd day of April, 2019. 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
Rod Stockdill

Directors absent: Thomas Sheldon

Also present were Finance Director, Wendy Kinn, Staff Engineer Lucas Schaaf, Operations Manager Keith Thelen, General Manager/CEO Martin D. Dahl, and Attorney David A. Lindell.

A motion was made by Klain, seconded by Odermann, to approve the Consent Agenda which consisted of the minutes of the February 28, 2019, board meeting, additional agenda items, review of director's checks, and approval of the membership and service applications/transfers. The motion carried.

The estates of Elmo Kittleson, Marlyne Morgan and Terry Kost, were presented for capital credit retirement. A motion was made by Presser, seconded by Behles, to retire the capital credits for the estates. The motion carried.

STAFF REPORTS:

1. Finance Department - Wendy Kinn. Items discussed and actions taken during the Finance Department report were as follows:
 - a) Provided the Financial Report for the Cooperative which included the monthly KWH revenue and usage, financial ratios, preliminary February, 2019, Form 7, and year-end RUS financial ratios. The Cooperative's revenue was \$80,832.00 over budget and demand is below budget and the financial ratios are all within lender requirements.
 - b) Discussed irrigation billing issues.
 - c) Mentioned that the Cooperative is advertising for an additional accountant.

- d) Reported that she will be attending CFO Training in May.
 - e) Reported that the 2018 audit was clean. A full audit report will be reviewed over the April board meeting.
2. Engineering Department - Lucas Schaaf, Staff Engineer. Items discussed and actions taken during the Engineering Department report were as follows:
- a) Provided a mapping and work-load update.
 - b) Reported an IT report.

After the Engineering Department Report, the board received a presentation by Chey Spitzer of Enterprise Sales Company regarding the Co-Op's solar policy and solar systems sold by his company.

3. Operations Department - Keith Thelen. Items discussed and actions taken during the Operations Report were as follows:
- a) The board acknowledged the minutes of the March 7, 2019, Safety Committee meeting.
 - b) Provided a work load and contract labor update.
 - c) 2018 inventory write-off. A shortage of \$14,496.38 or 1.2% of the inventory has occurred for 2018. A motion was made by Presser, seconded by Stockdill, to approve an inventory write-off in the amount of \$14,496.38. The motion carried.
 - d) Reported that CPR and First Aid Training was held in March.
 - e) AED Units. The Co-Op is changing AED brands due to the high cost of batteries for the current units, and Thelen would like to donate the current AEDs to the Garrison-Max Ambulance District. A motion was made by Stockdill, seconded by Behles, to approve the donation to the Garrison-Max Ambulance District. The motion carried.
 - f) Reported that a new lineman, Loren Dejardians, has been hired by the Co-Op.
4. General Manager's/CEO Report - Martin D. Dahl. Items discussed and actions taken during the General Manager's/CEO Report were as follows:
- a) Provided a RESCO Board report.

- b) Provided a Garrison Planning and Zoning Annexation update.
- c) Provided a Dakotas America report.
- d) Reported that the Co-Op received a CFC capital credit retirement of \$422.59.
- e) Reported that the Co-Op received a capital credit retirement from Co-Bank of \$27,976.45 out of a 2018 allocation of \$48,627.42.
- f) Provided an update on the Red River Valley Water System Project.
- g) White Shield Loads meeting - Manager Dahl attended meetings regarding potential new projects and loads in the White Shield area.
- h) Provided a NAWS Project update.
- i) Reviewed electric vehicle (EV) lease options with Co-Bank.
- j) Provided an NRECA Annual Meeting report.
- k) Provided a Co-Bank Regional Meeting report.
- l) Provided a Central Power Annual Meeting report with Presser. MEC received a 2018 allocation from Central Power in the amount of \$1,341,851.81.
- m) Discussed the customer service representative's office temperature controls. A motion was made by Klain, seconded by Stockdill, to accept a bid from Comfort Air in the amount of \$3,300.00 for an air conditioning system for the customer service representative's office. The motion carried.
- n) A motion was made by Presser, seconded by Klain, for the Cooperative to submit a By-Law Amendment regarding Section 8a. Nomination of Directors for petition signors to be members of the directors district rather than a resident of the district. The motion carried.

REPORTS ON MEETINGS ATTENDED:

- a) Statewide - Stockdill
- b) Central Power - Presser
- c) Basin Electric - Presser

UPCOMING MEETINGS:

1. NRECA Legislative Conference is scheduled for April 28-May 2, 2019, in Washington, D.C.
2. The next monthly board meeting will be held on Tuesday, April 23, 2019, at 8:30 o'clock a.m.

The board went into Executive Session. After the Executive Session, there being no further business. Upon a motion made and carried, the meeting was adjourned.



Secretary