

MCLEAN ELECTRIC COOPERATIVE, INC.
October 24, 2019

The October meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the Company's headquarters, in Garrison, North Dakota, on the 24th day of October, 2019. The meeting was called to order by President Larry Gessele, at 8:20 o'clock a.m.

Directors present:

Clarence Behles
Larry Gessele
Karen Hanson
Darcy Klain
James Odermann
Troy Presser
Rod Stockdill

Also present were Finance Manager 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 and seconded to approve the Consent Agenda which consisted of the minutes of the September 27, 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 John Kolden and Esther Striha were presented for capital credit retirement. A motion was made and seconded 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 review of the September, 2019 KW and KWH sales and revenue, financial ratios, and the preliminary September 2019, Form 7. Revenue for the month of September was over-budget \$1,051.40 and year-to-date revenue was under-budget \$40,416.22.
 - b) Discussed 2019 capital credit retirement. The proposed retired amount is \$404,565.08 which is the remainder of year 2003, all of years 2004 and 2005, and portion of 2006. A motion was made and seconded to retire the proposed amount of \$404,565.08 for 2019. The motion carried.

- c) Discussed bank account signature cards. A motion was made and seconded to add Wendy Kinn to the Cooperative's bank signature cards which results in the following people having signing authority: Martin D. Dahl, Marcia Zimmerman, Wendy Kinn, Rod Stockdill and Larry Gessele. The motion carried.
 - d) Discussed the preliminary 2020 budget.
2. Engineering Department - Lucas Schaaf. Items discussed and actions taken during the Engineering Department report were as follows:
- a) Provided an update of the work load/work plan.
 - b) Provided an update of the charging station installation.
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 October 2, 2019, Safety Committee meeting.
 - b) Provided the October work load/work plan and contract labor update.
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) Reported that the Underwood Ambulance revolving loan closed on October 22, 2019.
 - b) Present the Basin Electric 2020 load forecast. A motion was made and seconded for the Cooperative to adopt the Basin Electric Cooperative 2020 loan forecast. The motion carried.
 - c) Discussed the following items which were brought up at other meetings he attended:
 - 1. Discussed the possibility of retiring capital credits as a bill credit rather than mailing checks and to pay out lower capital credits at a discount.
 - 2. Implement a \$50.00 charge for people who turn off the breaker to their heat meter.

3. Discussed the possibility to put the new member applications online through the Cooperative's website and include a possible disconnect if the application is not sent back to the Cooperative within 30 days of the transfer of ownership of the account. A motion was made and seconded to implement the new application policy as discussed and to implement this into the Cooperative's formal policies. The motion carried.
- d) Discussed Turtle Lake and Ottertail Power issues.
- e) Discussed the McKenzie Electric FERC protest.
- f) Provided an update on residential batteries with the possibility for the Cooperative to own the batteries and monitor each patron's usage and savings. The board directed Manager Dahl to develop a policy regarding said batteries.

REPORTS ON MEETINGS ATTENDED:

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

UPCOMING MEETINGS:

1. The next monthly board meeting will be held on Wednesday, December 4, 2019, at 1:00 o'clock p.m. at the Cooperative's headquarters with a Member Advisory Committee meeting to follow that evening.
2. The December board meeting is scheduled for Thursday, December 19, 2019, at 9:00 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