

IN THIS ISSUE:

- Annual meeting minutes
- Financial statements
- Meet the candidates



Official notice of 77th annual meeting

The annual meeting of the members of McLean Electric Cooperative Inc. will be held at the McLean Electric Cooperative headquarters, located at 4031 Highway 37 Bypass NW, Garrison, at 6:30 p.m. on Tuesday, June 21, to take action upon the following matters:

1. Election of three directors for the cooperative
2. All other business which may come before the meeting, or any adjournments thereof

Pursuant to the bylaws, the following members have filed petitions for directorship of the cooperative (all are incumbents):

- District 1 – James Odermann, Parshall
- District 3 – Rod Stockdill, Garrison
- District 5 – Troy Presser, Turtle Lake

May 21, 2022

Rodney Stockdill, secretary

PROGRAM

5:30 p.m.

Registration and meal

6:30 p.m.

- Call to order
- Determination of quorum
- Invocation
- Welcome
- Reading of notice and previous minutes
- President's report
- General manager's report
- Financial report
- Operation Round Up report
- Service awards
- Presentation of scholarships
- Election of directors
- Unfinished business
- New business
- Adjournment

McLean Electric Cooperative annual meeting minutes

June 22, 2021

The 75th and 76th annual meeting of the members of McLean Electric Cooperative Inc. was held at the company's headquarters in Garrison, N.D., on June 22, 2021. The meeting was called to order by President Larry Gessele at 6:30 p.m.

Dinner was prepared by Kyle's Katering of Garrison, and served by the Garrison American Legion baseball team, the "Titans."

Secretary Rod Stockdill informed President Gessele that a quorum was present and President Gessele informed the attendees that the cooperative was open for business.

President Gessele introduced Pastor Cory Phillips of Evangel Church of Garrison, who gave the opening invocation.

President Gessele recognized present and past military service personnel and led the attendees in the Pledge of Allegiance, followed by the singing of the national anthem by LaDonna Carpenter.

President Gessele introduced dignitaries and guests who were in attendance and recognized representatives from North Dakota's congressional delegation, Sen. John Hoeven, Sen. Kevin Cramer and Rep. Kelly Armstrong, each of whom read letters or gave a short statement to the attendees.

President Gessele also recognized MacKenzie Feuller, Miss Teen North Dakota International 2021, of Garrison, who provided a short address to the attendees.

President Gessele reported that the notice of the 76th annual meeting and minutes of the 74th annual meeting were ready to be read for approval. It was moved that a reading of the notice and minutes be waived and they be approved as presented. The motion was seconded and carried.

President Gessele provided his president's report, as follows:

- He thanked those who helped put together this year's annual meeting. He pointed out what a difference a year makes, because of the COVID-19 pandemic and the inability to have a quorum for the 2020 annual meeting.
- He discussed the balance between baseload and renewables.

- He reported the hiring of new General Manager/CEO Mark Doyle, and the retirement of former General Manager/CEO Martin D. Dahl.
- He recognized past directors and employees, and introduced the directors to the attendees.

President Gessele introduced the Member Advisory Committee members and thanked them for their input to the cooperative.

President Gessele introduced General Manager/CEO Mark Doyle, to provide his address to the attendees. Manager Doyle discussed the following:

- He introduced himself and thanked past manager, Martin D. Dahl for his service to the cooperative.
- He reported on how the cooperative operated during the COVID-19 pandemic.
- He discussed the diversity of McLean Electric Cooperative's membership and how things have evolved through the years.
- He reported that the cooperative strives to provide service in a fair and equitable manner and discussed SmartHub and its benefits to the cooperative's members.

Manager Doyle then provided the financial report for the cooperative for 2020. Total revenue received was \$15,054,196, with total kilowatt-hours sold in 2020 of 131,703,697 and with a net margin of \$905,887. Net equity was \$458,541 and total assets grew \$973,495.

Manager Doyle introduced Troy Presser, McLean Electric Cooperative director and the cooperative's director to Central Power Electric Cooperative and the Central Power director to Basin Electric Power Cooperative, who provided a generation and transmission report.

- During his report, Director Presser mentioned that Central Power is in the process of syncing its substation for better reliability.
- He discussed the fire to the Glenburn Fire Hall and Central Power's donation to the fire department, showing that cooperatives are concerned for their communities.
- He stated that Basin Electric is currently interviewing for a new CEO. Basin Electric has entered an MOU to sell the Dakota Gasification Company to Bakken

Energy and Mitsubishi America.

- He stated that the Basin Electric Leland Olds Station Unit 1 could be shut down due to age and not environmental concerns.
- He discussed the Southwest Power Pool (SPP) and the February power failure in Texas and the resulting rolling blackouts.

President Jude Iverson was introduced to give an Operation Round Up report to the attendees. She introduced the Operation Round Up board members and reported that \$12,000 in two grant rounds was awarded in 2020 to the Max Public School, Farm Rescue, Guardian and Protective Services, Great Plains Food Bank, Little Lunches Backpack Program, Garrison Area Food Pantry, Our Savior Lord's Food Pantry and the Mercer Community Center.

President Gessele announced that the board of directors has proposed the following bylaw amendments:

- **Article III. Section 1. Annual Meeting.** The amendment would delete language that the annual meeting would be required to be held in the first six months following the end of the fiscal year.
- **Article III. Section 5. Voting.** The amendment would allow a person to vote in-person or by mail.

Attorney Counsel David A. Lindell explained the proposed amendments to the attendees and discussion from the membership was taken regarding the amendment to Section 5. During discussion, a motion from the floor was made and seconded to add that the mail election would be a quorum for the elections only. A showing of hands vote was taken and the amendment failed. Both amendments passed.

Section 1 with 73 votes Yes to 3 votes No

Section 5 with 60 votes Yes to 15 votes No

President Gessele introduced Secretary Rod Stockdill, who announced that the terms for directors for Districts 2 and 6 were up for election due to being unable to hold the election in 2020 due to a lack of quorum and that Districts 4 and 7 were up for election. Since both President Larry Gessele and Vice President Darcy Klain were up for election, Secretary Stockdill announced that the following candidates presented petitions for nomination:

- **District 2 – Clarence Behles**
- **District 4 – Darcy Klain**
- **District 6 – Karen A. Hanson**
- **District 7 – Larry Gessele**

Since the incumbent candidates were the only candidates to present petitions, Secretary Stockdill asked for a motion to cast a unanimous ballot for the directors. A motion was made and seconded and the directors

were reelected.

Manager Doyle announced the following employee service awards:

- Anne Brawley – 10 years
- Trevor Thomas – 5 years

Manager Doyle announced that Rick Gienger will retire as a lineworker this fall after 44 years of service to the cooperative. The attendees provided a standing ovation in honor of Gienger.

Manager Doyle presented the following scholarships:

- McLean Electric/Basin Electric scholarships of \$500 each to Ashley Ketterling of Turtle Lake/Mercer High School, daughter of Melissa and Todd Ketterling of Mercer, and Addyson Hughes of Des Lacs-Burlington High School, daughter of Todd and Sara Hughes of Minot.
- McLean Electric essay scholarship of \$500 to James McElwain, sophomore at Bismarck State College, son of Holly and Jeffrey McElwain of Minot.

The 2019 Youth Tour essay contest winner is Wyatt Kerstan. Since the Youth Tour was canceled in 2020 and 2021, the cooperative offered a \$1,000 scholarship in lieu of being able to attend the tour to Wyatt, the son of Holly and Allen Kerstan.

President Gessele asked for any old business. There was none. President Gessele asked for any new business. There was none.

President Gessele announced that the 75th and 76th annual meeting grand prize of \$1,000 would be given to a meeting attendee who was present. The 2021 winner was Shelly Fuller. Other door prizes were presented as well.

President Gessele thanked the attendees for attending the 75th and 76th annual meeting. The meeting upon a motion made, seconded and carried, was adjourned. ■



Meet the candidates



James Odermann - Incumbent candidate District 1

James Odermann farms and raises cattle in northwestern McLean County near Parshall. Odermann has represented District 1 for the past six years on McLean Electric Cooperative's (MEC) board of directors. Odermann is seeking reelection, because he wants to be part of the direction MEC takes in the many challenging new and existing issues that confront the electric industry, he said.

Odermann has served on the MEC Member Advisory Committee and the Operation Round Up board. He is active in other community organizations, including the Parshall Area Community Foundation, the St. Bridget Church council, and as the clerk for Cremerville Township. He has also been on the school board, served on the local volunteer fire department and served as a first responder.

He attended Dickinson State University and earned a Bachelor of Science in business administration. He is married to Leslie, who is retiring this year from Parshall High School after 30 years of teaching. They have four children: Jayma and Rayessa, who are both registered nurses at Sanford Health in Bismarck; Myles, who is attending Stanford Law School; and Tyson, who is a junior at Parshall Public School; and three grandchildren.

James enjoys hunting, working with his dogs, golfing and reading. Most importantly, James enjoys spending time with his family.



Troy Presser - Incumbent candidate District 5

Troy Presser is a farmer/rancher in eastern McLean County. Presser currently represents District 5 on MEC's board of directors. He is seeking reelection to continue to improve power quality, while controlling costs and treating all members fairly, he said.

As a current MEC director, Presser received the Director Gold certificate from the National Rural Electric Cooperative Association (NRECA). This is the highest director education certificate available. He also represents MEC on the Central Power Electric Cooperative board of directors. Through that board, he represents Central Power on the Basin Electric Power Cooperative board of directors.

Presser and his wife, Annette, live near Turtle Lake. They have three children: Megan, Tyler, Heather (deceased), daughter-in-law, Scarlet, and two granddaughters, Lillian and Chevelle.

Troy is an active member with Trinity Lutheran Church, Turtle Lake Wildlife Club, N.D. Red Angus Association and is a supervisor for Medicine Hill Township. Troy enjoys hunting, fishing, golfing and trapshooting.



Rod Stockdill - Incumbent candidate District 3

Rod Stockdill currently represents District 3 on MEC's board of directors. As a former MEC employee who was asked to run for the board several years after retirement, his cooperative knowledge and background can be beneficial in guiding the cooperative in the future, he said.

As an MEC director, Stockdill serves as MEC's representative for the North Dakota Association of Rural Electric Cooperatives board of directors. He has taken board leadership credentials and is an NRECA credentialed director. Stockdill served in the N.D. National Guard. He came to MEC as a lineworker, advancing to line foreman, and retired as operations manager in 2007. He also served as a technician for the West McLean Soil Conservation District.

Stockdill and his wife, Patricia, live near Garrison along Lake Sakakawea with their two Brittany hunting dogs. Rod is active in the American Legion Post 49 of Garrison and Sakakawea Pheasants Forever as a member/habitat chairman. Rod has a part-time taxidermy business, RPS Taxidermy, and enjoys hunting, fishing and golfing.

Balance sheet as of December 31, 2021

ASSETS

ELECTRIC PLANT

In Service	45,121,620	43,915,501
Electric Plant Under Construction	<u>3,691,964</u>	<u>2,396,581</u>
Total Electric Plant	48,813,584	46,312,082
Less Accumulated Depreciation	<u>13,064,983</u>	<u>12,363,742</u>
Net Electric Plant	35,748,601	33,948,340

OTHER ASSETS AND INVESTMENTS

Investments in Associated Companies	8,075,320	7,851,215
Other Investments	<u>467,123</u>	<u>529,674</u>
Total Other Assets and Investments	8,542,443	8,380,889

CURRENT ASSETS

Cash	284,458	2,755,623
Accounts Receivable - Electric Bills	2,353,464	1,765,548
Current Portion Other Investments - Loans Rec.	78,012	88,408
Materials & Supplies	1,378,297	1,376,299
Other Current and Accrued Assets	<u>12,182</u>	<u>11,049</u>
Total Current Assets	4,106,413	5,996,927

DEFERRED DEBITS

	<u>638,670</u>	<u>717,656</u>
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TOTAL ASSETS

	49,036,127	49,043,812
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LIABILITIES

EQUITIES

Patronage Capital - Members	16,936,920	15,411,534
Other Margins & Equities	<u>1,047,738</u>	<u>1,020,425</u>
Total Equities	17,984,658	16,431,959

LONG-TERM DEBT (RUS, FFB, COBANK)

Total Long-Term Debt	29,213,855	30,549,222
Less Current Maturities	<u>1,351,266</u>	<u>1,335,367</u>
Total Long-Term Debt (Net)	27,862,589	29,213,855

OTHER NON-CURRENT LIABILITIES

Capital Leases - Noncurrent	-	6,103
Accumulated Provision for Pension & Benefits	<u>467,538</u>	<u>614,393</u>
Total Non-Current Liabilities	467,538	620,496

CURRENT LIABILITIES

Current Maturities - Long-Term Debt	1,351,266	1,335,367
Current Maturities - Capital Leases	6,103	59,345
Line of Credit	-	-
Accounts Payable - Power Supplier	817,556	747,487
Accounts Payable - General	38,272	72,562
Member Deposits	42,406	37,193
Other Current and Accrued Liabilities	<u>381,344</u>	<u>461,000</u>
Total Current Liabilities	2,636,947	2,712,954

DEFERRED CREDITS

Advanced Payment for Electricity - Members	84,395	64,548
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TOTAL EQUITIES AND LIABILITIES

	49,036,127	49,043,812
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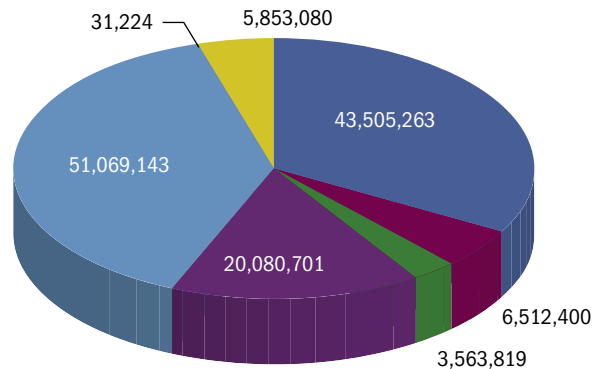


Statement of operations as of December 31, 2021

	2021	2020
OPERATING REVENUES		
Sales of Electricity	14,955,663	15,064,196
OPERATING EXPENSES		
Cost of Power	8,428,876	8,730,731
Operations & Maintenance	1,669,745	1,943,085
Member Accounts	355,469	410,576
Member Service	91,179	125,887
Administrative and General	1,064,774	1,156,236
Depreciation	1,274,363	1,212,968
Taxes	97,694	105,676
Other	14,415	13,242
Sales Expense	71,144	76,894
Total Operating Expenses	<u>13,067,659</u>	<u>13,775,295</u>
OPERATING MARGINS	1,888,004	1,288,901
FIXED CHARGES		
Interest on Long-Term Debt	948,702	982,814
Interest on Capital Lease Obligation	1,190	4,450
Total Fixed Charges	<u>949,892</u>	<u>987,264</u>
MARGIN AFTER FIXED CHGES	938,112	301,637
G&T AND OTHER CAPITAL CREDIT	<u>553,780</u>	<u>625,672</u>
NET OPERATING MARGINS	1,491,892	927,309
NON-OPERATING MARGINS		
Merchandising	(7,028)	(43,541)
Paycheck Prot. Prog. Forgiveness	518,131	-
Other Income	2,725	-
Interest Income	7,878	22,119
Gain (Loss) on Disposal prop	42,743	-
Total nonoperating margins	<u>564,449</u>	<u>(21,422)</u>
NET MARGIN	2,056,341	905,887

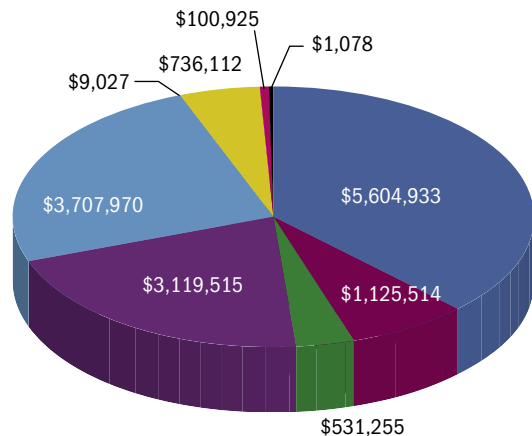
KWH Usage

Residential (excluding seasonal)	43,505,263
Residential Seasonal	6,512,400
Irrigation	3,563,819
Small Commercial (1000 KVA or Less)	20,080,701
Large Commercial (Over 1000 KVA)	51,069,143
Public Street and Highway Lighting	31,224
Other Sales to Public Authority	5,853,080
TOTAL	130,615,630



Revenue

Residential (excluding seasonal)	\$5,604,933
Residential Seasonal	\$1,125,514
Irrigation	\$531,255
Small Commercial (1000 KVA or Less)	\$3,119,515
Large Commercial (Over 1000 KVA)	\$3,707,970
Public Street and Highway Lighting	\$9,027
Other Sales to Public Authority	\$736,112
Wheeling (WAPA)	\$100,925
Solar	\$1,078
TOTAL	\$14,936,329



LOOK UP. LOOK OUT.

POWER LINE SAFETY ON THE FARM



SAFETY TIPS THAT ARE ALWAYS IN SEASON

1. Know what's below. **CALL 811** before starting any digging project.
2. Always **USE A SPOTTER** to warn you of any dangers when moving equipment.
3. If you strike a guy wire, **NEVER REPAIR IT YOURSELF**. Call your local utility right away.
4. **WATER CONDUCTS ELECTRICITY**, so be careful when irrigating near power lines.
5. **Keep yourself and machinery AT LEAST 10 FEET AWAY** from overhead power lines.
6. **Be extra careful when operating sprayers, planters and cultivators. KNOW THE HEIGHT AND WIDTH OF YOUR FARM EQUIPMENT** to prevent accidental contact.

WHAT TO DO

IF YOU CONTACT A POWER LINE:

If a power line falls across or near your machinery while you are in it, stay inside and **CALL 911**. Tell bystanders to stay away. If you must exit, jump as far as possible, so no part of your body is touching the machinery when you land. **KEEP BOTH FEET TOGETHER** and shuffle or hop at least 40 feet away.

STATEMENT OF NONDISCRIMINATION

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**NEVER DRIVE
NEAR OR OVER
DOWNED POWER LINES.**

BOARD OF DIRECTORS:

Larry Gessele, president
701-447-2461
District 7, Mercer

Darcy Klain, vice president
701-448-2408
District 4, Ruso

Rod Stockdill, secretary-treasurer
701-337-5462
District 3, Garrison

Clarence Behles, asst. secretary-treasurer
701-337-5362
District 2, Garrison

Troy Presser, director
701-447-2855
District 5, Turtle Lake

Karen Hanson, director
701-448-2636
District 6, Washburn

James Odermann, director
701-743-4415
District 1, Parshall

STAFF:

Mark Doyle, General Manager/CEO
Keith Thelen, Operations Manager
Lucas Schaaf, Engineering Manager
Wendy Kinn, Finance Manager

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