

MCLEAN ELECTRIC COOPERATIVE, INC.

June 22, 2017

The June meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the North Shore Inn & Suites, in Garrison, North Dakota, on the 22<sup>nd</sup> day of June, 2017, The meeting was called to order by President Larry Gessele, at 8:00 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, Business Manager Brett Holtz, Operations Manager, Keith Thelen, and Attorney David A. Lindell.

A motion was made by Behles, seconded by Sheldon, to approve the Consent Agenda which consisted of the minutes of the May 31, 2017, board meeting, additional agenda items, review of director's checks, and approval of the membership and service applications. The motion carried.

There were no estate retirements for the month.

STAFF REPORTS:

1. Business Department - Brett Holtz. Items discussed and actions taken during the Business Department's Report were as follows:
  - a) Reported that the final merger date of the NRECA retirement transfer is tentatively set for September 1, 2017.
  - b) Provided the Financial Report for the Cooperative which included the KWH use and revenue for May 2017, review of the May 2017, financial ratios, and a preliminary Form 7 for May, 2017.
  - c) Reported that he met with a Co-Bank representative about alternative borrowing rather than borrowing through RUS and discuss an increase to the Cooperative's line of credit. A motion was made by Klain, seconded by Stockdill, to increase the Cooperative's line of credit with Co-Bank to \$3,000,000.00 from \$2,000,000.00. The motion carried.

2. Engineering Department - Martin D. Dahl and Keith Thelen in place of Scott Iverson. Items discussed and actions taken during the Engineering Department's Report were as follows:
  - a) Reported that Garrison Creek Substation Underground Project is progressing.
  - b) Discussed Policy No. 402.1 regarding motor loads. A motion was made by Presser, seconded by Behles, to approve the proposed amendment to Policy No. 402.1 regarding pre-start voltage drops and flicker standards to align with industry standards. The motion carried.
  
3. Operations Department - Keith Thelen. Items discussed and actions taken during the Operations Report were as follows:
  - a) Provided the June workload update.
  - b) Provided a Contract Labor update.
  - c) The board acknowledged the minutes of the June 13, 2017, safety meeting.
  - d) Discussed solar power grants.
  
4. General Manager's Report - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
  - a) RESCO Director Election - The cooperative will cast its vote for Director Thomas Sheldon.
  - b) Provided a headquarters building construction project update.
  - c) Provided an update of the Lewis & Clark Interpretive Center billing issue.
  - d) Provided a report on his attendance at the RDFC meeting.
  - e) 2016 Audit Report - A motion was made by Odermann, seconded by Sheldon, to approve the 2016 audit. The motion carried.
  - f) Provided a Garrison Rural Water District update.
  - g) Discussed his attendance at the North Dakota Missouri River Advisory Council meeting.
  - h) Provided a GAIA Report.

- i) 2017 Annual Meeting wrap-up.
- j) Provided a sample mobile device use policy for the Director's to review for discussion during upcoming meetings.
- k) Blue Flint Ethanol Service Agreement. A motion was made by Presser, seconded by Behles, to approve the proposed renewal of Blue Flint Ethanol Service Agreement with Manager Dahl given the opportunity to negotiate an extension of the service term to 2032. The motion carried.

REPORTS ON MEETINGS ATTENDED:

- 1. Central Power - Presser
- 2. Basin Electric - Presser

UPCOMING MEETINGS:

- 1. The regular July monthly board meeting will be held on Wednesday, July 26, 2017, at the Central Power Cooperative Headquarters in Minot, North Dakota, at 9:30 a.m. following Co-Op Breakfast at the North Dakota State Fair.

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

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Secretary