

MCLEAN ELECTRIC COOPERATIVE, INC.  
May 31, 2017

The May 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 31<sup>st</sup> day of May, 2017, The meeting was called to order by President Larry Gessele, at 8:10 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, Engineering Department Manager Scott Iverson, Operations Manager, Keith Thelen, and Attorney David A. Lindell.

A motion was made by Presser, seconded by Klain, to approve the Consent Agenda which consisted of the minutes of the April 27, 2017, board meeting, additional agenda items, review of director's checks, and approval of the membership and service applications. The motion carried.

The estates of Donald Cleveland, Clark Ness, Vernon Hanson, John Sandeen, James Huston, and Janet Krzmarzick were presented for capital credit retirement. A motion was made by Behles, seconded by Stockdill, to approve the estate retirements. The motion carried.

STAFF REPORTS:

1. Operations Department - Keith Thelen. Items discussed and action taken during the Operations Department Report were as follows:
  - a) Provided a work loan/work plan update.
  - b) Reported on the need for an inventory adjustment of \$4,341.86 which is less than 1% of the total inventory for the year. A motion was made by Presser, seconded by Klain to approve the inventory adjustment. The motion carried.
  - c) Provided a Safety Report. The board acknowledged the minutes of the Safety Committee Meeting held May 8, 2017.

2. Engineering Department - Scott Iverson. Items discussed and actions taken during the Engineering Department's Report were as follows:
  - a) Provided a Garrison Creek Substation Underground Project update.
  - b) Provided a mapping/staking update.
3. Business Department - Brett Holtz. Items discussed and actions taken during the Business Department Report were as follows:
  - a) Provided the Financial Report for the Cooperative which included the KWH use and revenue for April, 2017, review of the April, 2017, financial ratios, and a preliminary Form 7 for April, 2017.
  - b) Provided an update of the NRECA Retirement Plan transfer.
  - c) Provided an update on the WSI premium discount.
4. General Manager's Report - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
  - a) Reported that the Co-Bank Share Grant has been approved and funds will be received in June.
  - b) Provided a headquarters building addition project update.
  - c) Provided his report on his attendance at the Dakota Americas/RDFC meetings.
  - d) Provided that a board orientation packet is continuing to be worked on.
  - e) The NCSC Directory election. A motion was made by Stockdill, seconded by Sheldon, for the Cooperative to cast a vote for Deb Erickson from Minnesota Valley Electric Cooperative. The motion carried.
  - f) Lewis & Clark Interpretive Building issue update. Manager Dahl reported that the State of North Dakota and the Lewis & Clark Foundation are willing to relinquish their accumulated allocated capital credits to pay toward the debt owed. A motion was made by Klain, seconded by Stockdill, to accept the return of the capital credits from the State of North Dakota and the Lewis & Clark Foundation and apply them to their bill and have management negotiate for any further payment. The motion carried.

- g) Distributed the 2016 Audit Report for approval during the June meeting.
- h) Provided a Garrison Rural Water District Annual Meeting report.
- i) USDA has approved an REAP Grant for an HVAC system for the existing headquarters building which would provide for 25% of the project cost. A motion was made by Stockdill, seconded by Presser, to accept the grant. The motion carried.
- j) Blue Flint Service Agreement Amendment. A motion was made by Odermann, seconded by Sheldon, to accept the proposed amendment to the Blue Flint Electric Service Contract. The motion carried.
- k) Reviewed the NDAREC Safety Performance Scorecard for the Cooperative.
- l) Reported that the Cooperative will be a sponsor for the McLean County Dolly Parton Imaginary Library golf tournament held in Washburn, ND.
- m) The Cooperative's 2017 Annual Meeting is scheduled for Tuesday, June 20, 2017, beginning at 6:30 p.m.
- n) Discussed the 2017 CFC Cooperative System Integrity Fund participation. A motion was made by Klain, seconded by Odermann, for the Cooperative to participate by having 5% of the Cooperative's 2017 CFC Patronage Capital Refund be paid to the CFC Cooperative System Integrity Fund for territorial integrity issues. The motion carried.

REPORTS ON MEETINGS ATTENDED:

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

UPCOMING MEETINGS:

- 1. The 2017 Annual Meeting will be held Tuesday, June 20, 2017, at 6:30 p.m. in the Garrison City Auditorium.
- 2. The regular June monthly board meeting will be held at 8:00 a.m. on Thursday, June 22, 2017, to be held at the North Shore Inn & Suites in Garrison, North Dakota.

3. A July meeting is scheduled for Wednesday, July 26, 2017, at the Central Power Headquarters to be held in conjunction with the North Dakota State Fair Cooperative Day.

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

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Secretary