

MCLEAN ELECTRIC COOPERATIVE, INC.  
September 27, 2018

The September meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the Company's headquarters, in Garrison, North Dakota, on the 27<sup>th</sup> day of September, 2018. The meeting was called to order by President Larry Gessele, at 9:30 o'clock a.m.

Directors present:

Clarence Behles  
Larry Gessele  
Darcy Klain  
James Odermann  
Troy Presser  
Thomas Sheldon  
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 by Klain, seconded by Sheldon, to approve the Consent Agenda which consisted of the minutes of the August 23, 2018, 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 Edwin Arlt, John Romanick, Larry Anderson, Ronald Erickson, and Edwin McCloskey were presented for capital credit retirement. A motion was made by Presser, seconded by Behles, to approve the estate retirements. 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 August KWH sales use and revenue, financial ratios, preliminary August, Form 7, and year-to-date statistics.
  - b) Mentioned she is beginning the 2019 budget process.
2. Engineering Department - Lucas Schaaf, Staff Engineer. Items discussed and actions taken during the Engineering Department report were as follows:
  - a) Reported that staking has been busy the past month.

- b) Mapping is updating as-builts.
  - c) The Cooperative is negotiating with the Air Force regarding possible burying lines within the Cooperative's territory.
  - d) Reviewed the construction work plan.
3. Operations Department - Keith Thelen. Items discussed and actions taken during the Operations Report were as follows:
- a) Provided the current work load/work plan and contract labor update.
  - b) Provided a Safety Report - The board acknowledged the minutes of the September 4, 2018, Safety Committee meeting.
4. General Manager's/CEO Report - Martin D. Dahl. Items discussed and actions taken during the Manager's/CEO Report were as follows:
- a) Reported his attendance at the Basin/MAC meeting.
  - b) Reported that Stockdill and Klain will attend the 2018 Midwest meeting with Manager Dahl.
  - c) Reported that he was elected to RESCO Board.
  - d) Provided a Central Power MAC Meeting report. Reported that Central Power may need to increase rates slightly.
  - e) Provided a Region 6 meeting report.
  - f) Informed the Cooperative that Co-Bank patronage in the amount of \$9,072.62 was received and CFC has allocated patronage in the amount of \$847.17 and retired \$422.59.
  - g) Presented the proposed Security Policy for PC IDSS (Payment Card Industry Date of Security Standards). Upon a motion made by Odermann, seconded by Stockdill, to adopt the PC IDSS version 3.2, Credit Card Payments. The motion carried.

The Board met with Jean Brandt, Director of North Central Electric Cooperative, and a candidate for the North Dakota Public Service Commission who gave a presentation regarding her candidacy.

The Board also met with Gary Dickens of White Shield Pow-Wow Association regarding the Cooperative's policy for seasonal accounts and re-hookup fees.

Policy Review: The following policies were reviewed:

- a) Policy 201.0 - Functions of the Board of Directors
- b) Policy 202.0 - Committees of the Board of Directors
- c) Policy 203.0 - Directors Fees and Expenses
- d) Policy 204.0 - Board of Directors - General Manager relationships
- e) Policy 205.0 - Services of Consultants
- f) Policy 206.0 - Membership Organization
- g) Policy 208.0 - Activities and Conduct of Individual Board Members
- h) Policy 209.0 - Manager's/CEO Car Allowance
- i) Policy 210.0 - Recording of Board Meeting
- j) Policy 317.0 - Physical Oversight Review

A motion was made by Presser, seconded by Behles, to approve Policies 201.0 and 202.0 as presented. The motion carried.

A motion was made by Presser, seconded by Stockdill, to approve Policies 203.0, 204.0, and 205.0 as presented. The motion carried.

A motion was made by Behles, seconded by Odermann, to approve Policies 206.0, 208.0, and 209.0 as presented. The motion carried.

A motion was made by Odermann, seconded by Sheldon, to approve Policy 210.0 with the proposed changes. The motion carried.

A motion was made by Presser, seconded by Behles, to approve Policy 317.0 as presented. The motion carried.

#### REPORTS OF OTHER BOARDS:

- a) Statewide - Stockdill - During the report the Board discussed Statewide's concern regarding North Dakota Measure #1. A motion was made by Presser, seconded by Sheldon, to have Statewide publicly oppose Measure #1. The motion carried.
- b) Central Power - Presser
- c) Basin Electric - Presser

UPCOMING MEETINGS:

1. The October monthly board meeting will be held on Monday, October 22, 2018, at 9:00 o'clock a.m. at the Cooperative's Headquarters.

The board held an Executive Session with Manager Dahl present. The Board then went into Executive Session without Manager Dahl.

After the Executive Session, there being no further business, upon a motion made and carried, the meeting was adjourned.

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Secretary