

MCLEAN ELECTRIC COOPERATIVE, INC.

May 23, 2019

The May meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the Company's headquarters, in Garrison, North Dakota, on the 23rd day of May, 2019. The meeting was called to order by President Larry Gessele, at 8:30 o'clock a.m.

Directors present:

Clarence Behles
Larry Gessele
Darcy Klain
James Odermann
Troy Presser
Thomas Sheldon (via telephone)
Rod Stockdill

Also present were Finance Director 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 April 23, 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 Dana Howard, Kenneth Deeter, Walter Nottom, Mildred Herda, and Irene Kostenko 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. Engineering Department - Lucas Schaaf, Staff Engineer. Items discussed and actions taken during the Engineering Department report were as follows:
 - a) Provided a mapping update.
 - b) Reported that the department has been receiving calls for new services.
 - c) Provided an update of the Max Water Treatment Facility service.
 - d) Reviewed a Blue Flint Demand Litigation Study.
2. 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 April 2019 KW and KWH sales and revenue, financial ratios, and the March, 2019, budget actual report and preliminary April 2019 Form 7. Revenue for the month was \$15,574.00 over budget.
 - b) Announced capital credit allocation for 2018 is \$2,445,161.00 which is comprised of \$1,341,352.00 G & T allocation and a \$1,103,309.00 Cooperative allocation.
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 Safety Committee meeting held on May 7, 2019.
 - b) Provided an May work load/work plan 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) Discussed the Garrison Annexation process. The City of Garrison would consider a franchise extension of an additional ten years (to 2029) if annexation would take place. After discussion, a motion was made and seconded for the Cooperative to accept the City of Garrison's proposed franchise amendment as presented. The motion carried.
 - b) Provided an Underwood Annexation update. It was found that the Underwood Annexation was completed in April and the city awarded the franchise to Ottertail Power at that time. Therefore, there will be no further action by the Cooperative.
 - c) Discussed an EV Charger update. The Cooperative may be looking into a lease arrangement rather than a purchase due to price.
 - d) CFC Integrity Fund donation request. After discussion, a motion was made and seconded for the Cooperative to donate 5% of the Cooperative's CFC Patronage Capital Refund for this year and for all future years until notified otherwise, with the contribution to be used for all purposes. The motion carried with Behles voting no.
 - e) Revolving Loan Fund request from Underwood Ambulance District. A motion was made by Sheldon, seconded by Presser, to approve a \$200,000.00 loan from the Cooperative's Revolving Loan Fund to the Underwood Ambulance District. The motion carried.

- f) Policy Amendment. Policy No. 424 - Interconnection of Dispersed Generation was reviewed with a proposed amendment. A motion was made and seconded to approve the presented amendment to Policy No. 424. The motion carried.
- g) Provided an update of a patron's bill underpayment and indicated that Engineer Schaff and Manager Dahl visited the patrons who have indicated that they may attend the June board meeting.
- h) CFC Director Election. A motion was made and seconded to cast a vote for Anthony Larson from Slope Electric to the CFC Board. The motion carried.
- i) NCSC Director Election. A motion was made and seconded to cast a ballot for James Robins for District IV and the uncontested candidates for Districts II and V. The motion carried.
- j) WRT Director Election. A motion was made and seconded to cast ballots for Tom Boysun and Brittany Sathren. The motions carried.
- k) Discussed the RUS Sparks Program with more information to be provided in the future.
- l) Discussed the irrigation controlled rate and off-peak rates.
- m) 2018 Final Review. A motion was made and seconded to approve the 2018 audit. The motion carried.
- n) Previewed the 74th Annual Meeting scheduled for June 18, 2019.

REPORTS ON MEETINGS ATTENDED:

- a) NRECA Legislative Conference - Stockdill and Dahl
- b) Statewide - Stockdill and Presser
- c) Central Power - Presser and Dahl
- d) Basin Electric - Presser

UPCOMING MEETINGS:

1. The Cooperative's 74th Annual Meeting is scheduled for June 18, 2019, at the Garrison City Auditorium.
2. The next monthly board meeting will be held on Thursday, June 27, 2019, at 8:30 o'clock 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