

MCLEAN ELECTRIC COOPERATIVE, INC.

August 24, 2021

The August meeting of the board directors of McLean Electric Cooperative Inc. was held at the Cooperative's headquarters in Garrison, North Dakota, on the 24th day of August, 2021. The meeting was called to order by President Larry Gessele at 8:45 o'clock a.m.

Directors present were:

Clarence Behles
Larry Gessele
Darcy Klain
Troy Presser
James Odermann
Rod Stockdill
Karen Hanson - Via Telephone

Also in attendance were Finance Director, Wendy Kinn, Staff Engineer, Lucas Schaaf, Operations Manager, Keith Thelen, General Manager/CEO, Mark Doyle, and Attorney David A. Lindell.

A motion was made and seconded to approve the Consent Agenda which consisted of additional agenda items, review of directors checks, approval of the membership and service applications/transfers, and the minutes of the July 23, 2021, board meeting. The motion carried.

There were no estates presented for capital credit retirement.

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 review of the July 2021 KW and KWH sales and revenue, financial ratios, and the preliminary July 2021, Form 7 and variance to budget report.

July revenue was above budget by \$21,362.72, with year-to-date revenue below budget \$343,999.98. Year-to-Date KWH sales are below budget 4,487,463 with demand sales above budget 1,646 YTD. The preliminary margin for July is \$290,589.00.
 - b) Provided a Basin investment update.

- c) Discussed PPP Loan forgiveness.
 - d) Discussed the General Manager/CEO's repayment. A motion was made and seconded to relieve the General Manager/CEO of the tax burden already paid for his repayments. The motion carried.
2. Engineering Department - Lucas Schaaf. Items discussed and actions taken during the Engineering Department report were as follows:
- a) Provided a work load/work plan update. The budget for the new work plan is \$15,000,000.00.
 - b) Discussed the Basin Electric 2022 load forecast. The forecast predicts a 1% growth. A resolution was presented for the Cooperative's adoption to approve the 2022 load forecast as a reasonable forecast. A motion was made and seconded to approve the resolution. The motion carried.
3. Operations Department - Keith Thelen. Items discussed and actions taken during the Operations Department Report were as follows:
- a) Provided a work plan/work load and contract labor update.
 - b) The board acknowledged the minutes of the August 3, 2021, Safety Committee meeting.
4. General Manager's/CEO Report - Mark Doyle. Items discussed and actions taken during the General Manager/CEO Report were as follows:
- a) Provided a Covid-19 update.
 - b) Discussed the Coal Creek Station/Rainbow Energy update. He presented a "letter agreement" for Rainbow Energy and MEC to enter into electric service agreements and allow for Rainbow Energy to serve in the Cooperative's territory. A motion was made and seconded to approve the letter agreement and for the Chairman and General Manager/CEO to acknowledge the letter. The motion carried.
 - c) Reviewed the NDSU Quentin Burdick Center for Cooperative's Equity Drive . No action was taken.
 - d) Reviewed the Communication's Report from Member Services Director Sonja Moe.

- e) Reviewed a donation request from the Mercer Rural Fire Department. A motion was made and seconded for the Cooperative to donate \$1,000.00 to the Fire Department. The motion carried.
- f) NISC Director Election - Reported that a director opening exists and nominations are being solicited.
- g) Discussed possible award nominations to the upcoming Statewide General Meeting.
- h) RTC Networks Director Election - A ballot will be cast for John McElwain.
- i) 2022 Member Advisory Committee Meeting will be held in October after the Board's monthly meeting.
- j) Reported that the Turtle Lake Franchise is set for renewal in Fall 2021. It was suggested that renewal be for 20 years with an automatic 20 year renewal.
- k) Provided an update regarding the Totten Trail EV Charging Station.
- l) Provided a report on the Statewide Manager's Meeting.
- m) CFC delegate director election - a ballot will be cast for Barbara Hampton as director and Josh Kramer to the CFC Nominating Committee.
- n) A RESCO Annual Meeting delegate appointment - Presser was appointed as delegate.
- o) Reported that the Cooperative will lease a new lawn tractor rather than purchase.
- p) The Board approved a tentative 2022 Annual Meeting date of June 22, 2022.

COMMITTEE REPORTS:

- a) Central Power - Presser
After the report, the Board reviewed the notice for a Central Power District III caucus delegate appointment. A motion was made and seconded to appoint Gessele as delegate with Presser as the alternate. The motion carried.

- b) Basin Electric - Presser
After the report, the Board reviewed the notice for the appointment of an Authorized Representative to Basin Electric Annual Meeting - A motion was made and seconded to appoint Hanson as authorized representative with Behles as alternate. The motion carried.

UPCOMING MEETINGS:

Region 5/6 Annual Meeting - September 16th and 17th virtually

The September board meeting is scheduled for Thursday, September 23, 2021, at 9:30 a.m. The October board meeting is scheduled for Thursday, October 28, 2021, followed by the Member Advisory Committee meeting. The starting time to be determined.

The board went into Executive Session. After the Executive Session. After the Executive Session , there being no further business, upon a motion made and seconded, the meeting was adjourned.


Secretary