

MCLEAN ELECTRIC COOPERATIVE, INC.

October 31, 2013

The October meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the Company's headquarters in Garrison, North Dakota, on the 31st day of October, 2013. The meeting was called to order by President Alvin Myers at 9:00 o'clock a.m.

Directors present:

Ronald Bloom
Ernest Grueneich
Agnes Jennings at 9:40 a.m.
Alvin Myers
Troy Presser
Orvin Ravnaas
Rod Stockdill

Also present were Manager Martin D. Dahl and Attorney David A. Lindell.

A motion was made by Ravnaas and seconded by Stockdill to approve the Consent Agenda which consisted of the minutes of the September 26, 2013, board meeting, additional agenda items, review of director's checks, and approval of the membership and service applications. The motion carried.

The estates of James Fischer, Elizabeth Fox, Burton Youngs, Romane Votava, and Leona Ash were presented for capital credit retirement. A motion was made by Presser, seconded by Bloom, to approve the retirement of the capital credits. The motion carried.

STAFF REPORTS:

1. Business Department - Luke Steen. Items discussed and actions taken during the Business Department Report were as follows:
 - a) Provided the financial review for the Cooperative, which included the KWH usage and revenue for the previous month and year to date, review of the September, 2013, Form 7, and review of the Financial Ratios.
 - b) 2014 budget discussion. During the review, the Board reviewed the proposed budget compiled by Staff. Changes were discussed to the proposed budget, whereupon a motion was made by Presser and seconded by Ravnaas to approve the 2014 budget with the discussed changes. The motion carried.

2. Member Services Department - Darrin Sand. Items discussed and actions taken during the Member Services report were as follows:
 - a) Provided a monthly member services update.
 - b) Reported on his attendance at the Co-Op month event held in Garrison.
3. Operations Report - Wayne Skarda. Items discussed and actions taken during the operations report were as follows:
 - a) Provided an October workload/workplan update.
 - b) The board acknowledged the minutes of the September 30, 2013, safety meeting and the October 29, 2013, safety meeting.
4. Manager's Report - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
 - a) 2013 Auditor Election. A motion was made by Jennings and seconded by Bloom for the Cooperative to hire Brady Martz to audit the 2013 Cooperative's books. The motion carried.
 - b) Reported on his attendance at the Rural Smart Grid Summit.
 - c) Reviewed the proposed Basin Electric By-Law Amendments.
 - d) Reported on his attendance at the Basin Electric MAC Meeting.
 - e) Revolving Loan Fund and REDLG application was received from Garrison Memorial Hospital. The cooperative is still gathering the required matching funds. A motion was made by Ravnaas and seconded by Bloom for the Cooperative to waive the 1% administration fee involved with the potential REDLG Grant to the Garrison Memorial Hospital, contingent upon the hospital contributing \$30,000.00 of the required \$60,000.00 fund match. The motion carried.

A motion was made by Presser and seconded by Jennings to allow Garrison Memorial Hospital to borrow \$55,000.00 from the Cooperative's revolving loan fund. The motion carried.
 - f) NDAREC awards discussion. The Board directed Manager Dahl to nominate Rural Economic Development State Director, Jasper Schneider, for a 2013 award.

- g) CFC Integrity Fund designation. A motion was made by Ravnaas and seconded by Grueneich to allow the cooperative's existing funds in the Integrity Fund to be used for additional purposes other than territorial integrity only. The motion carried.
- h) Discussed irrigation issues.
- i) NRECA 2014 Annual Meeting delegate selection. Delegate will be Grueneich with alternate delegate Bloom.

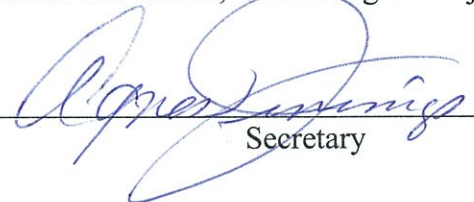
Reports on meeting attended:

- 1. Statewide - Jennings
- 2. Central Power - Presser

Upcoming Meetings:

- 1. The November Board Meeting is scheduled for Friday, November 22, 2013, at 9:00 a.m., at the Cooperative's headquarters.

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


Secretary