

MCLEAN ELECTRIC COOPERATIVE, INC.  
February 23, 2022

The February meeting of the board directors of McLean Electric Cooperative Inc. was held at the Cooperative's headquarters in Garrison, North Dakota, on the 23<sup>rd</sup> day of February, 2022. The meeting was called to order by President Larry Gessele at 9:00 o'clock a.m.

Directors present were:

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

Also in attendance were Finance Director, Wendy Kinn, Staff Engineer, Lucas Schaaf, Operations Manager, Keith Thelen, General Manager/CEO, Mark Doyle via telephone, 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 January 27, 2022, board meeting. The motion carried.

The estates of Dolores M. Rosberg, Curtis Giffey, Fern Zavalney, Marian Novodvorsky, Melford Samuelson, Delores Hanwell, Margaret Koch, JoAnn Patterson, Byron Holtan, Roy Willoughby, Jacob Aldinger, Dale Johnson, Elmer White Bear, Ruth Nathan, and Rodney Olson were presented for capital credit retirement. A motion was made and seconded to approve the retirement of the capital credits for the estates. 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 year-end 2021 and January Financial Report for the Cooperative which included the review of the year-end and January financial ratios, KW and KWH sales and revenue and preliminary 2021 year-end and January Form 7 and reviewed the 2021 Variance for Budget Report for Policy 317.0.

Preliminary 2021 margin is \$2,056,430.00, with January margin at \$158,289.00. January revenue was below budget \$13,312.44, KWH sales are below budget 1,328,470 with KW sales above budget 859.

2. Engineering Department - Lucas Schaaf. Items discussed and actions taken during the Engineering Department report were as follows:
  - a) Provided a work load update. They are starting to assemble the 2022 work queue.
  - b) Reviewed the work plan progress report.
  - c) Reviewed the proposed 2022-2025 construction work plan. A motion was made and seconded to approve the 2022-2025 construction work plan as presented. 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 load update. Contract labor has completed its work for the Cooperative for the winter.
  - b) Presented a 2021 inventory report and inventory adjustment requests. Inventory was short \$5,116.70. A motion was made and seconded to approve the inventory variance write-off \$5,116.70. The motion carried.
  - c) Reported that new linemen interviews will begin in early March.
  - d) Reported that all surplus items have been sold.
  - e) The board reviewed the minutes of the Safety Committee Meeting held February 8, 2022.
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) Central Power Annual Meeting.
1. Presented the Central Power Director election. A motion was made and seconded to cast a unanimous ballot for Presser as Central Power Director for 2022. The motion carried.
  2. A motion was made and seconded to cast a unanimous ballot for Gessele as alternate director to Central Power. The motion carried.
  3. 2022 Annual Meeting delegate – a motion was made and seconded to cast a unanimous ballot for Presser as delegate. The motion carried.
  4. Central Power Resolutions Committee delegate election. A motion was made and seconded to cast a unanimous ballot for Stockdill as Resolutions Committee delegate. The motion carried.
- c) Provided a Blue Flint Ethanol update. BFE is continuing with the installation of a natural gas turbine and has asked the Cooperative for a waiver/variance of its power contract to self-generate a short period to test its new generation during the commissioning phase later this summer. A motion was made and seconded to approve a waiver and have General Manager Doyle draft a letter to BFE to state the terms of the waiver. The motion carried.
- General Manager Doyle also discussed BFE receiving a letter of assurance that the Cooperative will maintain the lowest possible rate structure for BFE for the next five to ten years. A motion was made and seconded to consent to providing said letter. The motion carried.
- d) Operations Round-up - Discussion continued from the prior meeting.
- e) Interconnect Policy drafting is ongoing. Five other cooperatives are committing to participating in the policy development.
- f) Reported that the 2022 Strategic Planning Session is set for April 21-22, 2022.

- g) Co-Bank No Barriers Program is open from February 10, 2022, to June 1, 2022. The Cooperative will reach out to area veteran organizations for nominations.
- h) Provided the Communications Report compiled by Members Service Director, Sonja Moe.
- I) Reported that Klain was elected to the NDAREC Foundation Board to replace retired director, Clarence Vigessa. A motion was made and seconded for the Cooperative to compensate Klain for her involvement with foundation activities. The motion carried.

COMMITTEE REPORTS:

- a) Statewide - Stockdill
- b) Central Power - Presser
- c) Basin Electric - Presser

UPCOMING MEETINGS:

NRECA Annual Meeting will be held March 4-9, 2022, in Nashville, TN.

Central Power Annual Meeting will be held March 23-24, 2022, in Minot, ND.

2022 Strategic Planning is scheduled for April 21-22, 2022, following the April board meeting on April 21, 2022, which will begin at 8:30 o'clock a.m.

The March 2022 board meeting is scheduled for March 24, 2022, in Minot, ND, following the end of the Central Power Annual Meeting.

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

  
Secretary