

**Basin Electric Power Cooperative
Bismarck, North Dakota**

**Minutes of the Regular Meeting of the Board of Directors
June 10-11, 2013**

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**Basin Electric Power Cooperative
Bismarck, North Dakota**

**Minutes of the Regular Meeting of the Board of Directors
June 11-12, 2013**

The Regular Meeting of the Board of Directors of Basin Electric Power Cooperative (the **Cooperative** or **Basin Electric**) was held at the headquarters building, 1717 East Interstate Avenue, Bismarck, North Dakota, on June 11-12, 2013 starting at 1:00 p.m. CDT with the Pledge of Allegiance.

1. Call to Order

The meeting was called to order by President Roy Ireland, who presided, and Secretary-Treasurer Kermit Pearson kept the minutes thereof.

2. Roll Call

After calling the roll, the Secretary reported the following Directors present:

Donald E. Applegate	Wayne L. Child
Gary Drost	Arden Fuher
Charles Gilbert	Roy Ireland
Kermit Pearson	Wayne Peltier
Reuben Ritthaler	Roberta Rohrer
Allen Thiessen	

Said persons being all of the Directors of the Cooperative. Also present were CEO & General Manager Andrew M. Serri, Assistant Secretary Claire M. Olson and Basin Electric staff members Andrew Buntrock, Shawn Deisz, Jason Doerr, Pius Fischer, John Frank, Matt Greek, Daryl Hill, Ellen Holt, Becky Kern, Brian Larson, Deborah Levchak, Mary Miller, Mike Paul, Dave Raatz, Mike Risan, Matt Stoltz, Paul Sukut, Linda Thomas, Kevin Tschosik, Michelle Wiedrich and Lyle Witham.

Also present were Mor-Gran-Sou Electric Cooperative (**Mor-Gran-Sou**) director Robert Leingang, East River Electric Power Cooperative (**East River**) director Ken Gillaspie and Dakota Gasification Company (**DGC**) staff member Dave Sauer.

3. Approval of the Agenda

The Directors considered the agenda for the conduct of the business of the meeting. After an opportunity for addition and deletion of items, it was moved by Director Peltier, seconded by Director Gilbert and carried that the revised agenda be approved.

4. Approval of the Minutes

The minutes of the May 14-15, 2013 Regular Board meeting were presented and after an opportunity for corrections, it was moved by Director Rohrer, seconded by Director Drost and carried that the minutes be approved as presented.

5. General Manager's Report

Mr. Serri reviewed the schedule for board meetings and activities this week, as well as meetings and events he attended during the month.

On May 20-21, he attended and gave presentations on fuel switching and the aging workforce/workforce retention at the National G&T Managers Association meeting which was hosted by Hoosier Energy in Indianapolis. The Fall meeting will be hosted by Associated Electric Cooperative in Branson, Missouri.

Mr. Serri and staff met with the Primus Group regarding a potential opportunity for them to make gasoline out of DGC's syngas. He noted that these discussions are in a very preliminary stage.

On May 23, the Lignite Energy Council (LEC) announced that Jason Bonner, currently chief of staff to Idaho Congressman Labrador, will become the new CEO of the LEC. Mr. Bonner will assume his duties on July 1.

On May 28, the Mercer Group kicked-off its enterprise-wide study of Basin Electric's compensation benefits.

On May 29, Mr. Serri gave a Basin Electric update to the Mor-Gran-Sou directors. He also held two employee information sessions at the Laramie River Station (LRS).

The first Basin Electric headquarters noon barbeque was held indoors due to rain on May 30. Later that day, Mr. Serri attended a fundraiser for Senators Klobuchar and Landrioux in Minneapolis.

On June 3, Mr. Serri chaired the Missouri Basin Power Project (MBPP) Management Committee meeting at LRS. The Committee approved a budget of \$5 million for obtaining supplemental ground water and putting the gathering system in place. The MBPP Management Committee also approved a \$25,000 donation to the Wheatland Fire Department to recognize the Department for their response to LRS for the two incidents and to replace some gear damaged by coal dust.

On June 5-7, Mr. Serri and Directors Applegate, Drost, Gilbert and Ireland attended the CFC Conference in Indianapolis.

The District 9 information meeting was held at Basin Electric's headquarters building on June 10. Director Peltier thanked the staff for their presentations.

He noted that BNSF and Basin Electric are getting closer to resolving the demurrage issue at LRS. As a part of the settlement, staff is investigating the cost of installing an auxiliary loop the length of a unit train at LRS.

Construction has begun on the shop complex at the limestone quarry near Warren, Montana, after successful negotiations of the ground lease.

Construction on the new hangar has begun but has been hampered by the excessive rainfall.

6. Office of General Counsel Report

Claire Olson, Senior Vice President and General Counsel, reviewed the status of legal matters affecting or of interest to the Cooperative.

A. Environmental Report

Mr. Olson reported that Environmental staff is participating in the DGC to Antelope Valley Station (AVS) pipeline hearing on Thursday in Stanton and working on locations for a north Killdeer transmission line. Staff continues evaluating the options and permitting strategies to meet the changes predicted in the 2013 load forecast.

B. Property Management

Mr. Olson reported on the status of easement acquisition on the AVS to Tande 345 kV transmission project and the Blaisdell to Berthold 345 kV transmission project.

Staff is working with construction and environmental staff to obtain a new material laydown yard permitted for use. The existing yard has become unusable due to excessive rains.

7. Marketing and Trading

A. Purchased Power Report

Jason Doerr, Manager of Trading and Analytics, reported that short-term purchased power volumes were lower than anticipated. Short-term purchased power costs are estimated to be \$1.8 million under budget, excluding prior month adjustments.

Short-term non-member sales volumes were higher than anticipated, resulting in higher short-term revenues. Overall, short-term non-member sales are estimated to be \$1.4 million higher than budget, excluding prior month adjustments.

Natural gas prices fell during the month on bearish weekly storage injections. Temperatures were below normal in most service area territories. The rain in May helped improve the drought condition. He then reviewed the U.S. Drought Monitor.

8. Cooperative Planning Report

Dave Raatz, Vice President of Cooperative Planning, reviewed the status of the studies underway analyzing the merits of joining a Regional Transmission Organization (RTO) and the schedule for the Western Area Power Administration (WAPA) public process. He reported that a Southwest Power Pool (SPP)/Basin Electric Memorandum of Understanding is being drafted and that a meeting to discuss the terms and conditions of membership (such as transmission cost sharing, exit provisions and grandfathered transmission rights) has been scheduled for July 24-25

in Little Rock, Arkansas. Also being studied are the Financial Forecast economic impacts of joining SPP. A transition work plan is being developed.

Staff plans to issue a Request for Proposal (RFP) to power suppliers next week. Responses will be due in July. The short-list analysis would be complete at the end of August or the beginning of September. Longer-term proposals for summer capacity starting in 2018 are being sought.

He noted that on June 24-25, the RTO Manager's Advisory Committee will meet to continue discussing details associated with of joining an RTO.

Mr. Raatz then reviewed May member activities and contacts.

A. 2014 Load Forecast Work Plan Approval

Mr. Raatz reported that under the Rural Utilities Service (RUS) guidelines on preparing load forecasts, Basin Electric is required to provide RUS with a Board-approved load forecast work plan outlining the processes and procedures which will be used to develop the load forecast. It is also required under the Indenture. He then reviewed the Work Plan for the 2014 Load Forecast and recommended that it be approved.

After discussion, it was moved by Director Child, seconded by Director Pearson and carried that the following Resolution be adopted:

R01.06-11-13 BE IT RESOLVED, that the 2014 Load Forecast Work Plan is hereby approved, subject to the approval of the Administrator of the Rural Utilities Service.

9. Transmission Report

Mike Risan, Senior Vice President, Transmission, reported on the transmission projects underway to increase transmission capability and reliability in the Williston Load Pocket.

There have been issues getting the Snake Creek project off the ground; however, the Three Affiliated Tribes (Mandan/Hidatsa/Arikara) have now signed off so the Finding of No Significant Impact (FONSI) can be issued.

NERC. The WECC annual meeting is this month and one issue under consideration is splitting the Reliability Coordinator function into a different organization. The interim board committee met on Monday to take into consideration member feedback. A full board webinar is scheduled for tomorrow.

Common Use System (CUS). He reported that staff has filed an amendment to the CUS tariff to reduce charges for the reactive component. The initial filing of the tariff was based on an estimate which now has to be revised.

Homeland Security's Office of Infrastructure Protection plans to visit the Cooperative and run through a disaster exercise. This is part of their Regional Resiliency Assessment Program.

10. Voting Delegates to NRECA Region 6 Meeting

After discussion, it was moved by Director Drost and seconded by Director Applegate that Directors Pearson and Gilbert serve as delegate and alternate, respectively, to the NRECA Region 6 meeting. Motion carried.

11. September, October and December Board Meeting Dates

The Directors discussed rescheduling the September, October and December Board meetings due to conflicts with the NRECA Region 6 meeting in September; the NRECA Regions 7&9 meeting in October and the Midwest Electric Consumers Association meeting in December. It was decided that the September and October meetings would begin on the Monday morning of Board week.

It was also decided that the December meeting would begin on Sunday evening of Board week with the Basin Electric Board reorganizational meeting, the subsidiary annual shareholder meetings and the subsidiary board reorganizational meetings. The regular December Board meeting would begin on Monday morning.

12. Executive Session

At 3:15 p.m., it was moved by Director Peltier, seconded by Director Thiessen and carried that the Board retire into executive session to discuss electrical loads in the Williston Basin.

At 4:55 p.m., it was moved by Director Pearson, seconded by Director Peltier and carried that the Board arise from executive session.

13. Recess and Reconvention

At 4:55 p.m., the meeting recessed until 8:00 a.m., at which time the meeting reconvened with President Ireland continuing to preside and Secretary Pearson continuing to keep the minutes.

14. Roll Call

After calling the roll, the Secretary reported the following Districts present:

Donald E. Applegate	Wayne L. Child
Gary Drost	Arden Fuher
Charles Gilbert	Roy Ireland
Kermit Pearson	Wayne Peltier
Reuben Ritthaler	Roberta Rohrer
Allen Thiessen	

Said persons being all of the Directors of the Cooperative. Also present were CEO & General Manager Andrew M. Serri, Assistant Secretary Claire M. Olson and Basin Electric staff members Shawn Deisz, Jason Doerr, Mike Eggl, Pius Fischer, John Frank, Matt Greek, Deb Haga, Daryl Hill, Ellen Holt, Jan Kubisiak, Rod Kuhn, Brian Larson, Joe Leingang, Mike Paul, Dave Raatz, Mike Risan, Paul Sukut, Linda

Thomas, Mark Thompson, Kevin Tschosik, Michelle Wiedrich and Lyle Witham. Other staff members were present for various portions of the meeting.

Also present were East River director Ken Gillaspie and Mor-Gran-Sou director Robert Leingang.

15. Plant Operations Report

A. Fossil Fuel Generation Update

Matt Greek, Senior Vice President, Generation, reviewed the Cooperative's safety performance for the month. He noted there were five Days Away Restricted or Transferred (DART) incidents in May.

In response to a question, Mr. Greek reviewed the events surrounding the second coal dust flash fire event at LRS.

Generation came in 14.3% below budget for May. Actual 2013 year-to-date generation was 9.94 million MWh and budgeted generation was 10.15 million MWh or 2.1% under budget.

May individual availability and capacity factors for the coal-based generation stations were as follows:

Unit	Avail-Ability	Capacity Factor	Unit Rating	Comments
LRS #1	48.4%	72.8%	570 MW	Coal system outage
LRS #2	0%	0%	570 MW	Triennial maintenance outage
LRS #3	99.2%	94.9%	570 MW	BFP controls malfunctioned
LOS #1	54.7%	80.6%	221 MW	Outage to tie in scrubber
LOS #2	100%	83.6%	448 MW	Down dispatch
AVS #1	100%	95.5%	450 MW	Down dispatch
AVS #2	0.0%	0.0%	450 MW	Triennial maintenance outage
DFS	100%	95.4%	386 MW	

He then reviewed the 24-month moving-average forced-outage rate trends and bus bar costs. The LRS coal inventory is 1.38 million tons or a 58-day supply for all three units at full load.

B. Laramie River Station Incident Review

Brian Larson, LRS Plant Manager, reported on the recent incidents at LRS, one of which resulted in employee injuries. At 14:23 on May 14, there were combustible dust explosions in a coal conveyor area in Units 1 and 2. There were no injuries. At 06:15 on May 19, there was a combustible dust flash fire in a dust collector at the coal dumper which resulted in one employee receiving burns to his face and hands and two employees receiving burns to their arms. At 22:30 on May 29, there was a combustible dust flash fire in a dust collector hopper which resulted in no injuries.

One injured employee has returned to work and the other two are expected to return soon. All are expected to make full recoveries.

Mr. Larson reviewed the circumstances surrounding the incidents and the efforts underway to understand the causes of the incidents so that appropriate corrective action can be taken.

Mr. Larson then presented photographs of the damaged and repaired areas.

Mr. Serri noted that the entire process is being reviewed.

C. Leland Olds Station Update

Mark Thompson, Leland Olds Station (LOS) Plant Manager, reported that LOS employees have worked 2,308 days (2,019,946 hours) safely without a DART incident. Safety is stressed each day before work begins and if issues arise during work progress. He compared plant availabilities and plant capacity factors from 2007 to present.

He then provided an update on the Unit #1 scrubber tie-in, noting that limestone usage averaged 187 tons per day, gypsum production averaged 357 tons per day and SO₂ removal was very good.

Major work areas during the Unit #1 outage included tie-in of the wet limestone scrubber; repair of a damaged control valve in the turbine; washing of the air heaters, tube leak repair and inspection by the insurance engineer in the boiler; and repair of a feedwater heater tube rupture, FDV-11 replacement and general maintenance activity in the balance of the plant. He then presented photographs of the scrubber tie-in and outage activities.

D. Distributed Generation Update

Kevin Tschosik, Distributed Generation Manager, reviewed natural gas prices and reported that May distributed generation at the facilities was as follows:

Unit	Monthly Generation	Unit Rating	Comments
Groton Unit #1	2090 MW	200 MW	Unit 2 engine inspection
Groton Unit #2	560 MW		
Culbertson CT	4397 MW	100 MW	
WY Distributed Generation	77 MW	54 MW	
SMS Unit #1	Did not run	120 MW	
SMS Unit #2	Did not run		
DCS	Did not run	300 MW	

Mr. Tschosik noted that the turbine on the Culbertson Unit suffered damage when stator blade tips failed resulting in metal parts damaging a portion of the turbine.

Staff is working with General Electric to develop a plan for repair. One option being considered is to replace the rotor with a different one until the original one can be repaired. Apparently, GE has experienced similar problems on this type of turbine. This failure will be fully investigated to clarify GE's response.

The Spirit Mound Station current fuel inventory is 810,014 gallons.

PrairieWinds SD 1. Mr. Tschosik reported that the tower 72 gear box was replaced under GE warranty.

PrairieWinds ND 1. Annual maintenance is at 45%. Excessive water has hampered access to a number of towers.

The east-side peak occurred on May 2, 2013 at hour ending 0800. At that time, wind generation was as follows:

Project	Load Factor During the Peak	Capacity Factor (%)	Project Total
PWND	0 MW	46%	123 MW
PWSD	0 MW	47%	162 MW
Wilton	0 MW	45%	99 MW
Baldwin	0 MW	46%	99 MW
Edgeley	1 MW	30%	40 MW
Highmore	0 MW	38%	40 MW
Day County	18 MW	49%	99 MW
Iowa Wind	37 MW	44%	45.1 MW
Other Projects (Chamberlain & Pipestone)	0 MW	30%	3.4 MW
TOTAL MAY WIND GENERATION	56 MW	45%	712 MW
AVERAGE YTD CAPACITY FACTOR	---	45%	---

16. Engineering and Construction

A. Substation Budget Amendments

Pius Fischer, Manager of Electrical Engineering, reported that he would be presenting several requests to increase the budgets on substation projects located within the Bakken development area and one for the MBPP.

The cost increases in the Bakken area are based on scope changes, the higher inflation for contract work in the area and adverse weather conditions over the past six months.

The following are ranges of actual contract cost increases realized since these projects were originally estimated: mobilization 107% to 440%; site grading 174% to 180%; gravel surfacing 240% to 405%; foundations 142% to 780%; cable/trenching 0% to 150%; and skilled labor 125% to 166%.

Record-breaking snow falls, an extremely wet spring, and WAPA has not been granting transmission outage requests due to transmission constraints contributed to the cost increase.

Spare IS Transformer at Charlie Creek Project. This project was approved in March of 2011 for \$5.9 million and amended in April 2012 to \$5.5 million. A new budget of \$6.7 million is now being proposed. Items outside the scope of the original project include moving the project location from Broadland, transformer transport and inclusion of a removable firewall. The original estimate was based on 2010 costs. These costs have increased due to the "Bakken Factor", weather, outage scheduling and interest during construction. This will be an energized spare transformer; however, it could end up being a permanent transformer. This project is nearing completion.

LOS 600 MVA Transformer Project. This project was approved in March 2011 for \$9.2 million and revised in April of 2012 to \$6.7 million. A new budget of \$7.2 million is now being proposed. Items outside the scope of the original project include yard expansion, then the 250 MVA transformer was moved to Belfield, broken switches, control/protection/PT upgrades, upgrade tie line and breakers. Other costs were due to poor architect/engineer performance, late PTs, construction in energized facility (BEPC labor). This project is energized and in service.

Kenaston Substation Project. This project was approved in March 2011 for \$1.6 million and revised in April 2012 to \$5.2 million. A new budget of \$6.3 million is now being proposed. Items outside the scope of the original project include site location change, drainage issues, temporary capacitor bank and the Burke-Divide Electric Cooperative (**Burke-Divide**) transformer addition. The Bakken factor was huge in this project. Originally, Burke-Divide was going to be responsible for construction; however, Basin Electric agreed to take over the project in April 2012. Burke-Divide's costs will be passed on to them. This project is nearing completion.

Spare MBPP Transformer at LRS. This project was approved in March 2011 for \$6.5 million. A new budget of \$10.2 million is now being proposed. Basin Electric's share is 42.27%. The original approval was budgetary only. Additional costs include transmission line costs (three line crossings) and higher transformer costs. Items outside the scope of the original project include moving the transformer location, 270 feet of 345 kV bus, replacing malfunctioning switches and breakers, adding an additional breaker for reliability and protective relay panel upgrades. This project is about 50% into the design and we are bidding contracts.

The MBPP Transmission Task Force and MBPP E&O Committee have approved the increased budget for the Spare MBPP Transformer at LRS project, which will now go to the MBPP Management Committee for approval.

Mr. Fischer then recommended that the budgets for the aforementioned projects be increased as presented.

After discussion, it was moved by Director Pearson, seconded by Director Child and carried that the following Resolution be adopted:

R02.06-11-13

RESOLVED, that the budget for the Spare IS Transformer at Charlie Creek Substation be increased \$1.2 million to a new total of \$6.7 million.

RESOLVED, that the budget for the LOS 600 MVA Transformer be increased \$500,000 to a new total of \$7.2 million.

RESOLVED, that the budget for the Kenaston Substation be increased \$1.1 million to a new total of \$6.3 million.

RESOLVED, that the budget for the Spare MBPP Transformer at LRS Substation be increased \$3.7 million to a new total of \$10.2 million.

BE IT FURTHER RESOLVED, that the CEO and General Manager, or his designee, be authorized to execute the required documents.

17. Financial Services Report

A. Accounting Report

Shawn Deisz, Manager of Accounting, reported that the May 2013 Statement of Operations reflected an estimated net deficit of \$19.2 million compared to the budgeted net deficit of \$11.3 million for an unfavorable variance of \$7.9 million. The net margin for the same period last year was a net margin of \$4.8 million.

She also reviewed member sales, surplus sales, operations expenses, maintenance expenses, year-to-date consolidated net income/loss, changes to

the balance sheet and month-end cash.

Basin Electric's equity-to-asset ratio at the end of May was 19.9% and at the end of April was 19.2%. At the end of May, the equity-to-capitalization ratio using Moody's Rating Service's methodology was 24.3% and at the end of April was 23.8%, both without The Coteau Properties Company consolidation entry. The equity-to-capitalization ratio based on indenture requirements for patronage distribution was 17.3% at the end of May—the same as the previous month.

B. Risk Management Steering Committee Report

Mr. Sukut noted that over the past months, as a part of the enterprise risk management program, staff has taken a number of steps to address commodity risks across the enterprise.

A marketing and trading group was established to centralize the activities and the Board has implemented policies to accommodate these marketing and trading activities.

Under these policies, a Risk Management Steering Committee consisting of the senior management group provides oversight to these activities and provides an avenue for communication to the Board on the commodity risk management activities enterprise-wide.

Mr. Sukut reported that the Risk Management Steering Committee is up and running and has had several meetings. He noted the Committee met at the request of David Raatz to review Renewable Energy Credits and Wind Project possibilities. The Committee also discussed the DGC Revenue Risk Issues and, at the request of Ken Rutter, reviewed the tar oil hedging program.

He reported to the Board on the deliberations of the Committee.

C. 2013 Liability and Directors & Officers (D&O) Insurance Renewal

John Frank, Director of Risk & Insurance, reviewed 2012 major insurance events. He then reviewed existing coverage and limits of the Basin Electric and subsidiary Casualty and Directors & Officers (D&O) insurance, as well as what allegations might trigger a D&O claim. These insurances are due for renewal July 1, 2013.

He noted that the estimated premium for renewal of these policies would be approximately \$3,090,832, while the premium last year was \$2,913,835. Factors that affect the premium include the ratings for the Pioneer Station and Lonesome Creek Stations, which will be added during this policy period; operating revenues increased 12.2%; payrolls increased 5.7%; and electric KWh production increased 10.1%.

He reviewed the coverages contained in the policies, but noted that some terms and conditions remain to be negotiated. He recommended that the Board authorize the CEO & General Manager to complete negotiations and to execute the new insurance policies.

After discussion, on motion duly made by Director Drost, seconded by Director Fuher and carried, the following Resolution was adopted:

R03.06-11-13

WHEREAS, Basin Electric's Liability and Directors & Officers insurances are due to be renewed on July 1, 2013; and

WHEREAS, final terms and conditions of the policies remain to be negotiated;

BE IT RESOLVED, that the CEO & General Manager, or his designee, is authorized to take all actions necessary, including but not limited to, execution and delivery of all policies, documents and instruments and payment of all policy premiums, commissions and other fees to complete the renewal of Basin Electric's Liability and Directors & Officers Insurance program for an amount not to exceed \$3.25 million.

D. Power of Attorney for IRS Private Letter Ruling

Rod Kuhn, Manager of Tax & Insurance, reported that Basin Electric is contemplating joining an RTO and is evaluating options to join MISO or SPP. By virtue of joining either organization, the Cooperative would transfer functional control of transmission facilities to an RTO. He noted that in preparation for joining an RTO, tax staff plans to visit with the IRS to consider seeking a private letter ruling on whether joining an RTO would have any adverse federal income tax consequences. Specific authorized representation is required in order to do this.

He recommended authorization to execute Powers of Attorney for representation before the Internal Revenue Service in anticipation of a Private Letter Ruling relating to the federal income tax consequences of the transfer of functional control of Basin Electric transmission facilities to an RTO.

After discussion, it was moved by Director Applegate, seconded by Director Rohrer and carried that the following Resolution be adopted:

R04.06-11-13

BE IT HEREBY RESOLVED, that the CEO and General Manager is hereby authorized to execute and deliver Form 2848, Power of Attorney and Declaration of Representative designating Debora S. Olafson, R. Russell Mather and Randall A. Snowling as attorneys-in-fact for Basin Electric Power Cooperative, with full power and authority to complete, sign, file, receive information from and communicate information to appropriate Internal Revenue Service personnel, and otherwise to take all actions and do all things necessary including but not limited to execution and delivery on behalf of Basin Electric of all necessary documents and statements including the perjury statement, and the deletions statement, to successfully complete the process of obtaining a Private Letter Ruling from the IRS relating to the federal

income tax consequences of a transfer of functional control of Basin Electric transmission facilities to a Regional Transmission Organization or independent system operator.

E. Refined Coal Project Update

Mr. Kuhn provided an update on the refined coal projects underway at AVS, LRS and LOS.

18. Recess for Board Audit Committee Meeting

At 10:55, the board recessed for the board audit committee meeting. At 11:10 a.m., the meeting reconvened, President Ireland continuing to preside and Director Pearson continuing to keep the minutes thereof.

19. Communications and Administration Report

Mike Eggl, Senior Vice President, Communications and Administration, reviewed federal and state legislative issues of interest to the Cooperative.

He reported that Communications is working closely with Government Relations, Legal and Environmental Services to develop a response to the recent EPA FIP for regional haze in Wyoming. Communications responded to Adam Voge of the Casper Star Tribune regarding the EPA haze ruling.

Communications worked with Human Resources to develop an employee/cooperative response to the Oklahoma devastation caused by tornadoes. The plan, approved by Andrew M. Serri, involves employees opting to wear jeans during the summer for a \$130 donation to Touchstone Energy's Oklahoma Relief Fund. Additionally, Basin Electric will be making a donation to the American Red Cross, and will purchase socks, sunscreen and insect repellent for the Oklahoma cooperative linemen who are working in soggy conditions to restore power.

Communications worked with Wyoming reporters and plant management to address questions surrounding the LRS fires. Social media played a large role in our response, and allowed us to tamp down rumors.

He also reported on activities at the Cooperative to inform the employees of the benefits of the Cooperative Connections local and national discounts.

A. IS&T Reorganization Update

Mark Kinzler, Manager of IS&T, reported on the reorganizational activities of the IS&T Department.

B. Annual Tours Report

Daryl Hill, Manager of Media and Communications Relations, presented his annual report on the activities associated with public tours of the Cooperative's generating facilities. He noted that in 2012, 527 tours for 9,300 visitors were

conducted. As of May 31, 2013, 173 tours for 3,335 visitors have been conducted.

20. Recess and Reconvension

At 12:00 noon, the meeting recessed until 1:00 p.m., at which time the meeting reconvened, President Ireland continuing to preside and Director Pearson continuing to keep the minutes.

21. Roll Call

After calling the roll, the Secretary reported the following Directors present:

Donald E. Applegate	Wayne L. Child
Gary Drost	Arden Fuher
Charles Gilbert	Roy Ireland
Kermit Pearson	Wayne Peltier
Reuben Ritthaler	Roberta Rohrer
Allen Thiessen	

Said persons being all of the Directors of the Cooperative. Also present were CEO and General Manager Andrew M. Serri and Assistant Secretary Claire M. Olson.

22. Directors' Reports

The Directors reported on activities at their G&Ts and local cooperatives.

23. Date and Time of Next Board Meeting

The next regularly scheduled meeting of the Board of Directors will take place July 11-12, 2013, in Great Falls, Montana.

24. Executive Session

At 1:40 p.m., it was moved by Director Peltier, seconded by Director Drost and carried that the Board retire into executive session to discuss Human Resources matters.

At 3:15 p.m., it was moved by Director Child, seconded by Director Applegate and carried that the Board arose from executive session.

25. Adjournment

There being no further business to come before the meeting, President Ireland adjourned the meeting at 3:15 p.m.


Kermit Pearson
Secretary-Treasurer