

MINUTES
GENERAL BOARD MEETING – JANUARY 29, 2016
FERGUS ELECTRIC COOPERATIVE, INC.

1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative Board of Trustees met in general session January 29, 2016 with PRESIDENT BOB EVANS calling the meeting to order at 10 a.m. TERRY FROST was secretary and VANGIE McCONNELL was scribe. Other board members present were BRAD ARNTZEN, PAUL DESCHEEMAER, DAVID DOVER, JASON SWANZ and MIKE VLASTELIC. GENERAL MANAGER SCOTT SWEENEY, OFFICE MANAGER SALLY HORACEK, FINANCIAL ANALYST JANINE RIFE DIDIER and CORPORATE COUNSEL KRIS BIRDWELL were also present. The Pledge of Allegiance was recited.
2. **APPROVAL OF AGENDA.** After reviewing the meeting agenda, DAVID DOVER moved to approve it. BRAD ARNTZEN seconded the motion, which carried unanimously.
3. **APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of the December 18, 2015 general meeting, TERRY FROST moved to approve them. MIKE VLASTELIC seconded the motion, which carried unanimously.
4. **PUBLIC COMMENT PERIOD.** The Board noted the regular time for member input relative to any issue of interest or importance to them. GILLES STOCKTON of Grass Range and RICHARD LEACH of Hobson appeared to discuss solar panels and net metering. STOCKTON is requesting combining his house meter and his irrigation meter into one net-metered unit using solar panels to service both his house and irrigation pumps. STAKING ENGINEER GUY JOHNSON outlined what other Montana co-ops are doing in regard to solar, wind and net metering. The Board is actively discussing a net metering policy.
5. **STRATEGIC THINKING AND PLANNING, NOV. 17, 18 & 19, 2015, CHICO RESORT.** MANAGER SWEENEY and the Board discussed topics that were addressed at the retreat. Discussion covered sending a survey to the membership in regard to net metering and community solar. SWEENEY agreed to contact WILL LUTGEN and SCOTT LINDSAY of Symbios Consulting about preparing a survey.
6. **SOUTHERN AND SME BOARD MEETINGS, JAN 20, 2016, BILLINGS.** DAVID DOVER, JASON SWANZ, TERRY FROST and SCOTT SWEENEY reported on proceedings of the Southern Montana Board. DAVIID DOVER and SCOTT SWEENEY reported on the SME meeting.
7. **PRECORP, BOARD AND SERVICE AGREEMENT, SHERIDAN, JAN. 19.** MIKE VLASTELIC reported on the PRECorp Board meeting. After discussion, MIKE VLASTELIC moved to authorize MANAGER SWEENEY to sign the Professional Master Service Agreement with Attachment A – Statement of Work with PRECorp. The agreement will allow Fergus and PRECorp to work together on cyber security and mapping. DAVID DOVER seconded the motion, which carried unanimously.
8. **CO-BANK \$2,000,000 LINE OF CREDIT.** After discussion, JASON SWANZ moved to approve a board resolution approving a \$2,000,000 Line of Credit with Co-Bank. TERRY FROST seconded the motion, which carried unanimously. A copy of the resolution is attached.

9. BOARD POLICY 203. Policy 203 – Trustee Expenses and Fees was reviewed. PAUL DESCHEEMAEKER moved to approve Policy 203 with changes. MIKE VLASTELIC seconded the motion, which carried.

10. BOARD POLICY 204. Policy 204 – Trustee or Employee Loans and/or Purchases of Material, Equipment, Etc. was reviewed. No changes were made.

11. BOARD POLICY 205. Policy 205 – Retirement was reviewed. MIKE VLASTELIC moved to approve Policy 205 with changes. JASON SWANZ seconded the motion, which carried. A copy is attached.

12. AUDIT OVERVIEW. OFFICE MANAGER SALLY HORACEK noted that at their last visit, the auditors had high remarks for the yearly review of Fergus Electric's accounts. They also praised the staff for their cooperation. CPA CORY WHEELER will give his report at the March board meeting.

13. FINANCIAL AND OTHER MONTHLY REPORTS. GENERAL MANAGER SCOTT SWEENEY presented financial and other monthly reports to the Board for discussion. Included in the items seen were the December operating report prepared by OFFICE MANAGER SALLY HORACEK and the December analysis of operating statistics prepared by FINANCIAL ANALYST JANINE RIFE DIDIER.

14. SUMMARY OF CONSTRUCTION WORK COMPILED IN 2015. STAKING ENGINEER GUY JOHNSON reviewed work completed in 2015. This included 5.99 miles of overhead line, 0.125 miles of secondary services and 6.53 miles of primary underground to new customers. Eighty- three meters, three irrigation pumps and 31 miscellaneous telecom and other seasonal and small loads were connected. Three hundred and seventy-one junk poles were replaced and \$711,186.87 in aid to construction was collected.

15. APPROVAL OF WORK ORDERS. After reviewing Inventory of Work Orders No. 571-571X for \$69,832.03 and No. 571-571X (A) for \$9,555.01 ending December 31, 2015, PAUL DESCHEEMAEKER moved to approve them. DAVID DOVER seconded the motion, which carried unanimously.

16. REPORT OF CORPORATE COUNSEL. ATTORNEY KRIS BIRDWELL reviewed progress on the Atna Resources bankruptcy (CR Kendall Corp.) He noted that Board Policy 220 – Vesting and Retirement of Capital Credits will be ready for review at the February board meeting.

17. CAPITAL CREDIT RETIREMENT CHECKS. A short discussion on capital credits took place. It was noted that 521 capital credit checks had been returned for lack of an updated address. A list of unclaimed Capital Credits was provided to the Board

18. SIGNAL PEAK, LLC AND EXPRESS PIPELINE. The combined load factor for the 50Kv and 100Kv Signal Peak substations for December was 54.1% and Express Pipeline had a total load factor of 50.1%.

19. UNIVERSAL SYSTEM BENEFIT CHARGE. MANAGER SWEENEY reported that Fergus Electric contributes \$22,000 into the USB fund for assistance to low income members.

20. FIRST BANK CERTIFICATE OF DEPOSIT. MANAGER SWEENEY led discussion regarding the purchase of a \$250,000 CD at Lewistown's First Bank. PAUL DESCHEEMAEKER moved to approve the purchase of a \$250,000 CD at a rate of .35% for an investment that is FDIC insured. TERRY FROST seconded the motion, which carried unanimously.

21. 2016 BUDGET. MANAGER SWEENEY reported that staff will have a preliminary budget ready for the February board meeting. Included in the budget will be a new digger truck for Roundup.

22. POLICY 501.5 – MONTHLY SINGLE-PHASE SERVICE – RATE CODE 1001. After discussion about 400-amp service and larger (CT metered), DAVID DOVER moved to increase the minimum base charge to \$47.50 for which no kWh are allowed. JASON SWANZ seconded the motion, which carried unanimously. A copy of the tariff sheet is attached.

23. CAPITAL CREDIT RETIREMENTS. The Board reviewed the January 28, 2016 estate capital credit retirements of \$27,506.17 prepared by SUSAN HINKLEY. TERRY FROST moved to affirm the retirements and BRAD ARNTZEN seconded the motion, which passed unanimously.

24. FOURTH QUARTER WRITE-OFFS. MIKE VLASTELIC moved to approve writing off \$536.49 in bad debt and to continue with collection procedures as outlined in Board Policy. BRAD ARNTZEN seconded the motion, which carried unanimously.

25. APPROVE NOMINATING COMMITTEE. MIKE VLASTELIC moved to approve appointments to the 2016 Annual Meeting Nominating Committee. TERRY FROST seconded the motion, which carried unanimously. The committee consists of: District 1 (rural Lewistown) – SCOTT DAMBY, JAYSON SHOBE and JEFF WHITCRAFT; and District 6 (Ryegate and Harlowton areas) – LARRY BERG, LESLIE CAVILL and JED EVJENE.

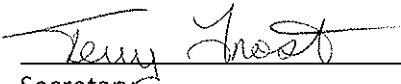

26. DELINQUENT ACCOUNTS/NEW MEMBERS LIST. The Board reviewed the delinquent accounts showing those that were paid in full and those still owing. A list of new members was also reviewed.

27. FUTURE MEETINGS.

- a. PRECorp Board, Gillette, February 16
- b. SME and Southern Boards, Billings, February 24
- c. Safety – February 3, Accident Investigation, Safety Jeopardy 2 and Job Briefings – Johnie Stanton of MECA
- d. FEC Board, February 25 – 9 a.m., March 31 – 9 a.m., April 28 – 9 a.m., May 26 – 9 a.m.

28. NEWS FROM THE DISTRICTS.

29. ADJOURN. PRESIDENT BOB EVANS adjourned the meeting at 3 p.m.


Attest: 
 Secretary President

