

**MINUTES
GENERAL BOARD MEETING – OCTOBER 29, 2015
FERGUS ELECTRIC COOPERATIVE, INC.**

1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative Board of Trustees met in general session October 29, 2015 with PRESIDENT BOB EVANS calling the meeting to order at 9 a.m. TERRY FROST was secretary and VANGIE McCONNELL was scrivener. Other board members present were BRAD ARNTZEN, PAUL DESCHEEMAERKER, 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. **PUBLIC COMMENT PERIOD.** The Board noted the regular time for member input relative to any issue of interest or importance to them. No member appeared.
3. **APPROVAL OF AGENDA.** After reviewing the meeting agenda, DAVID DOVER moved to approve it. MIKE VLASTELIC seconded the motion, which carried unanimously.
4. **APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of the September 24, 2015 general meeting, DAVID DOVER moved to approve them. BRAD ARNTZEN seconded the motion, which carried unanimously.
5. **SOUTHERN BOARD – OCT. 28, 2015.** DAVID DOVER, JASON SWANZ and SCOTT SWEENEY reported that Beartooth is scheduled to pay their share of the Southern debt and then they will exit Southern on Oct. 31, 2015.
6. **BOARD STRATEGIC THINKING AND PLANNING – NOV. 17, 18 & 19, 2015, CHICO RESORT.** The agenda and meals for the retreat were reviewed.
7. **PRECORP BOARD MEETING – OCT. 20, 2015.** TERRY FROST reported that Tongue River Electric voted to join PRECorp and Basin for their long term power supply. The Basin Board voted to accept both Fergus and Tongue River as Class C members.
8. **BOARD POLICIES 108 AND 109 REVIEWED.** Policy 108 – Statement of Functions of the Safety, Operations and Materials Committee and Policy 109 – Policy Formulation and Approval were reviewed. MIKE VLASTELIC moved to leave the policies as written. JASON SWANZ seconded the motion, which carried unanimously.
9. **REPORT OF CORPORATE COUNSEL.** CORPORATE COUNSEL KRIS BIRDWELL reviewed Board Policy 220 – Vesting and Retirement of Capital Credits. The Board spent considerable time on the topic.
10. **COLLECTIONS AND HIGH BILL COMPLAINTS.** GUY JOHNSON discussed home visits regarding high bill complaints. When visiting a member he helps them determine where the power is being used and how they can modify their usage. ERIKA MATTALIANO and SALLY HORACEK reviewed procedures for collecting over-due accounts, making arrangements and what leads to a disconnect.
11. **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 September operating report prepared by OFFICE MANAGER SALLY HORACEK. and the September analysis of operating statistics prepared by FINANCIAL ANALYST JANINE RIFE DIDIER.


12. **CONFERENCE CALL - MIKE EASLEY OF PRECORP.** Prior to the conference call with MIKE EASLEY, MANAGER SWEENEY noted he had invited EASLEY to update the Board on the power supply contract between Fergus and PRECorp/Basin. EASLEY reported that Basin Electric's directors voted to modify the PRECorp Amended Wholesale Power Supply Agreement to allow assignment of the agreement to a potential new G & T to be formed to supply power to PRECorp and its Class C members.
13. **NET METERING AND SOLAR PANELS.** The Board and Management viewed two videos on net metering - one prepared by PG&E and the other by MECA. The videos showed different perspectives on billing and base charges.
14. **OPERATIONS REPORT.** LINE SUPERINTENDENT DALE RIKALA reported that, to date, 54 new meters have been installed, 327 new poles have been added with 275 retired of which 267 were junked. The September safety meeting was the annual benefits update presented by NRECA FIELD REPRESENTATIVE MIKE STIFF.
15. **APPROVAL OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 568-568X for \$45,208.38 and 568-568X(A) for \$3,027.66 ending September, 30, 2015, TERRY FROST moved to approve them. DAVID DOVER seconded the motion which, carried unanimously.
16. **TINTINA COPPER MINE.** BOB and KATHERN EVANS, JASON SWANZ, MIKE VLASTELIC and SCOTT SWEENEY toured the proposed copper mine site north of White Sulphur Springs. SWEENEY noted that the Fergus group had an opportunity to visit with BRUCE HOOPER, the CEO of Tintina, and promote Fergus Electric as their electricity provider.
17. **NEW TRANSMISSION PLANNING MEETING.** FERGUS STAKING ENGINEER GUY JOHNSON, SOUTHERN MONTANA SCHEDULER TROY DAHLGREN and GENERAL MANAGER SCOTT SWEENEY attended a NWE transmission planning meeting in Billings Oct. 8. The meeting was required by FERC to make sure NWE is informing local communities of future upgrades to their transmission system.
18. **NRECA REGION 9, SALT LAKE CITY.** PAUL DESCHEEMAEKER reported that there was considerable discussion regarding solar power and distributive generation at the Sept. 29 - Oct. 1 meeting.
19. **MECA STANDING COMMITTEE APPOINTMENTS.** The following committee appointments were made: Audit - PAUL DESCHEEMAEKER, Communication - DAVID DOVER, Education and Training - VANGIE McCONNELL, Legislative - JASON SWANZ, Power Supply - BOB EVANS, Resolution - TERRY FROST, and Safety & Loss Control - MIKE VLASTELIC.
20. **MECA PREPAID EDUCATION AND TRAINING PROGRAM.** Purchase of a prepaid education plan entitles a cooperative to unlimited enrollment for all programs. The cost is tiered based on the number of co-ops participating in the agreement. If 10 or less co-ops enroll in the program the cost would be \$4,500. If 11 - 15 co-ops enroll in the prepaid program, the cost would be \$3,500, and if 16 or more co-ops enrolled the cost would be \$2,500. Participants may attend on an individual basis for a registration fee of \$400 per person per course. After discussion, the prepaid option was selected.
21. **ESTATE CAPITAL CREDIT RETIREMENTS.** The Board reviewed the October 2015 estate capital credit retirements of \$12,245.71 prepared by SUSAN HINKLEY. MIKE VLASTELIC moved to affirm the retirements and PAUL DESCHEEMAEKER seconded the motion, which passed unanimously.
22. **THIRD QUARTER WRITE-OFFS.** JASON SWANZ moved to approve writing off \$2,001.90 in bad debt and to continue with collection procedures as outlined in Board Policy. BRAD ARNTZEN seconded the motion, which carried.

23. **FEDERATED CYBER INSURANCE.** MANAGER SWEENEY reported that he had arranged for Cyber Insurance coverage through Federated Rural Electric Corporation beginning Jan. 1, 2016
24. **SIGNAL PEAK, LLC AND EXPRESS PIPELINE.** The combined load factor for the 40kV and 100kV Signal Peak substations for Sept. was 57.3% and Express Pipeline had a total load factor of 52.5%.
25. **FUTURE MEETINGS.**
- Safety: Financial Presentation – Joe Eckhardt of Edward D. Jones; Wellness (Move Smart and Weight Game) – Vangie McConnell, Nov. 12
PRECorp Board, Gillette, Nov. 17
Southern Board, Billings, Nov. 20 & Dec. 16
SME Board, Billings, Dec. 16
MECA Winter Meeting and Dinner, Great Falls, Dec. 1 – 2
FEC Board, Dec. 4 – 1 p.m., Dec. 18 – 9 a.m., Jan. 28, 9 a.m.
Christmas Dinner, Pine Meadows, Dec. 4, No Host Cocktails 6 p.m., Dinner 7 p.m.
26. **NEWS FROM THE DISTRICTS.** Each board member shared items of interest.
27. **ADJOURN.** PRESIDENT BOB EVANS adjourned the meeting at 2:30 p.m.



SECRETARY

ATTEST:



PRESIDENT

