

**MINUTES – BOARD MEETING
AUGUST 2, 2017
FERGUS ELECTRIC COOPERATIVE, INC.**

1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session on August 2, 2017 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 DESCHEEMAER, DAVID DOVER, CATHY KOMBOL and JASON SWANZ. GENERAL MANAGER SCOTT SWEENEY, CORPORATE COUNSEL KRIS BIRDWELL, LINE SUPERINTENDENT DALE RIKALA, OFFICE MANAGER SALLY HORACEK and FINANCIAL ANALYST JANINE RIFE DIDIER 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 or item of interest or importance to them. No member appeared.
3. **APPROVAL OF AGENDA.** After reviewing the meeting agenda, PAUL DESCHEEMAER moved to approve it. BRAD ARNTZEN seconded the motion, which carried unanimously.
4. **APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of the June 22, 2017 general meeting and discussing them, TERRY FROST moved their approval. JASON SWANZ seconded the motion, which carried unanimously.
5. **BOARD RETREAT.** Discussion covered a date and agenda for a board retreat. It was decided to reserve the dates of November 2 and 3.
6. **BID PROPOSALS – TRUCK GARAGE.** MANAGER SWEENEY and LINE SUPERINTENDENT DALE RIKALA met with an engineer to compile information and specifications concerning a 100' X 100' truck garage.
7. **COOPERATIVE SOLAR PROJECT.** Plans are to have the solar array energized on Friday, August 4. A tentative date for a grand opening is Thursday, September 14.
8. **SOUTHERN MONTANA ELECTRIC G&T.** MANAGER SWEENEY and SOUTHERN PRESIDENT DAVID DOVER reported that NRECA is closing Southern's account and that the Montana Secretary of State will mail a notice that Southern is dissolved.
9. **MEMBERS 1ST AND PRECORP BOARDS, SUNDANCE – JUNE 18, 2017.** MANAGER SWEENEY and Trustees BOB EVANS and PAUL DESCHEEMAER reported on the June meetings. They noted that a new vice president, JIM COLLINS of Tongue River, had been elected and that Eide Bailly, LLP was approved to be the auditor for Members 1st.
10. **TINTINA RESOURCES.** MANAGER SWEENEY reported meeting with Tintina representatives who noted that the mine has requested power by January 2021. Tintina plans to begin mining in July 2021. The next mine tour is September 1.
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 thus seen were the June operating report prepared by OFFICE MANAGER SALLY HORACEK and the June analysis of operating statistics prepared by FINANCIAL ANALYST JANINE RIFE DIDIER.
12. **NORTHWESTERN ENERGY REFUND.** After discussion, DAVID DOVER moved the transfer of Fergus Electric's share of the NorthWestern Energy's refund for transmission overcharges, currently in an escrow account with Southern, be assigned to a new escrow account between Fergus Electric Cooperative and NorthWestern, which will be maintained by Western Security Bank in Billings. JASON SWANZ seconded the motion, which carried unanimously. A copy of the resolution is attached.



13. **OPERATIONS REPORT.** The Board considered the July 27, 2017 report prepared by LINE SUPERINTENDENT DALE RIKALA outlining operations and maintenance, engineering and safety. RIKALA reported that in 2017, 24 new meters were installed. One hundred twenty-five new poles were set with 113 being retired of which 103 were junked. This compares to 24 new meters and 145 junk poles in July of 2016. JOHNNIE STANTON, MECA safety instructor who is retiring, presented his last safety meeting for Fergus on July 20. STANTON presented Safety Jeopardy One and Safety Jeopardy Two. RIKALA also noted that fire restrictions were moved from Stage 1 to Stage 2. Linemen and staff will attend the winter survival course on August 8.

14. **POWER OUTAGE REPORT.** MANAGER SWEENEY and the Board reviewed a report covering power interruptions for January through June prepared by VANGIE McCONNELL.

15. **ATV SIDE BY SIDE FOR ROUNDUP.** After discussion, TERRY FROST moved to approve the purchase of a side by side and trailer for Roundup. BRAD ARNTZEN seconded the motion, which carried unanimously.

16. **QUARTERLY INVENTORY OF WORK ORDERS.** After reviewing the June Inventory of Work Orders No. 587-587X for \$131,519.78 and 587-587X (A) for \$67,613.14, DAVID DOVER moved to approve the inventory. TERRY FROST seconded the motion which carried unanimously.

17. **BOARD POLICY 111 – TRUSTEE DUTIES AND STANDARDS OF CONDUCT.** The Board reviewed Policy 111 – Trustee Duties and Standards of Conduct. PAUL DESCHEEMAEKER moved to approve it as amended. JASON SWANZ seconded the motion, which carried unanimously. Each board member signed the document. A copy is attached.

18. **BOARD POLICY 228– BLOODBORNE PATHOGEN EXPOSURE CONTROL PLAN FOR NON-HEALTH CARE FACILITY.** The board reviewed Policy 228. PAUL DESCHEEMAEKER moved to approve the amended policy. JASON SWANZ seconded the motion, which carried unanimously. A copy is attached.

19. **BOARD POLICY 229 – VEHICLE OPERATING POLICY.** The Board reviewed Policy 229. DAVID DOVER moved to approve as written and TERRY FROST seconded the motion, which carried.

20. **BOARD POLICY 230 – CLOTHING POLICY.** After reviewing Policy 230, JASON SWANZ moved to approve Policy 230 as amended. TERRY FROST seconded the motion which carried. A copy is attached.

21. **RESOLUTION AUTHORIZING THE AMENDMENT AND RESTATEMENT OF THE RETIREMENT SECURITY AND 401(K) PENSION PLANS.** The Board is aware that the Plans must periodically be amended. BRAD ARNTZEN moved to authorize the July 1, 2017 amendment, restatement and continuance of the Plans to conform in their entirety with the provisions of the governing plan documents. DAVID DOVER seconded the motion, which passed unanimously. A copy of the resolution is attached.

22. **SIGNAL PEAK, LLC. AND EXPRESS PIPELINE.** MANAGER SWEENEY and the Board discussed power usage of the coal mine. The total load factor of the 50 kV and the 100kV combined was 45.7%. MANAGER SWEENEY noted that CORPORATE COUNSEL KRIS BIRDWELL and staff are planning to work with Enbridge/Express to update the two power supply contracts with Express.

23. **AFFIRMATION OF CAPITAL CREDIT ESTATE RETIREMENTS.** The Board reviewed the July 2017 estate capital credit retirements for \$21,744.00 prepared by SUSAN HINKLEY. TERRY FROST moved to affirm the retirements and BRAD ARNTZEN seconded the motion, which carried unanimously.

24. **DELINQUENT ACCOUNTS AND NEW MEMBERS.** The Board and Management reviewed a list of past due accounts – 30, 60 and 90 days and a list of new members.

25. **SECOND QUARTER WRITE-OFFS.** JASON SWANZ moved to approve writing off \$1,404.39 in bad debt and to continue with collection procedures as outlined in Board Policy. BRAD ARNTZEN seconded the motion, which passed unanimously.

26. **METERING SYSTEM.** MANAGER SWEENEY updated the Board regarding the future purchase of an upgraded metering system. SWEENEY noted that Fergus and PRECorp are working together to gain expertise and to improve pricing.

27. **50kV REBUILD.** PRECorp sent the co-op a proposal to engineer the 50kV rebuild from Carters to Hilger. The co-op plans to proceed with the engineering and construction.

28. **MECA BOARD - JULY 6- 7.** PAUL DESCHEEMAERKER and BOB EVANS attended the summer MECA board meeting in Kalispell. They reported on two interesting tours - electric generation from methane gas at the Kalispell landfill and the Flathead Co-op's community solar array consisting of 356 panels.

29. **AUTHORIZED REPRESENTATIVE AND ALTERNATE TO BASIN ELECTRIC ANNUAL MEETING NOVEMBER 8-9, 2017.** BRAD ARNTZEN moved to appoint BOB EVANS as voting delegate to the Basin annual meeting in Bismarck November 8-9 and JASON SWANZ as alternate. CATHY KOMBOL seconded the motion, which carried unanimously.

30. **MEMBERS FIRST DELEGATE.** DAVID DOVER moved to appoint PAUL DESCHEEMAERKER as Fergus Electric's Members 1st representative, to vote upon the election of a nominee to the Basin Electric Board of Directors and BOB EVANS as alternate delegate. BRAD ARNTZEN seconded the motion, which carried unanimously.

31. **MECA BOARD OF DIRECTORS CERTIFICATION.** PAUL DESCHEEMAERKER moved to appoint TERRY FROST as Fergus Electric's representative on the MECA Board and CATHY KOMBOL as alternate. DAVID DOVER seconded the motion, which carried unanimously.

32. **MECA ANNUAL MEETING VOTING DELEGATE.** JASON SWANZ moved to appoint CATHY KOMBOL as Fergus Electric's voting delegate at the MECA Annual Meeting in Great Falls October 2-5 and BOB EVANS as alternate. BRAD ARNTZEN seconded the motion, which carried unanimously.

33. **NRECA REGION 7 AND 9.** BOB EVANS, BRAD ARNTZEN and SCOTT SWEENEY plan to attend the Region 7 and 9 meeting in Denver. At a previous meeting, ARNTZEN was appointed voting delegate and EVANS was appointed alternate.

34. **FUTURE MEETINGS.**

- a. Safety, Cold Weather Survival, Aug 8, Lewistown
- b. Members 1st/PRECorp, Gillette, Aug. 15
- c. PRECorp Annual Meeting, Upton, WY, Aug. 26
- d. Board, Aug. 31, Sept. 28, Oct. 27, Dec. 1, Dec. 21
- e. CCD Course 2630 - Strategic Planning, Lewistown, Sept. 7
- f. MECA Annual/Today's Members, Great Falls - Oct. 2 - 5
- g. Region 7 & 9, Denver, Oct. 16 - 18
- h. Strategic Planning, Nov. 2 - 3
- i. Basin Annual, Bismarck, Nov. 8 - 9
- j. Christmas Dinner, Tall Boys, Hobson, Dec. 1

35. **NEWS FROM THE DISTRICTS.**

36. **MEETING ADJOURNED.** PRESIDENT BOB EVANS adjourned the meeting at 4:30 p.m.

SECRETARY

Terry Frost

Attest: PRESIDENT

Robert Evans

JD

Auditor