

AUGUST 31, 2016
GENERAL BOARD MEETING MINUTES
FERGUS ELECTRIC COOPERATIVE, INC.

1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative Board of Trustees met in general session August 31, 2016 with PRESIDENT BOB EVANS calling the meeting to order at 9 a.m. VANGIE McCONNELL was scrivener. Other board members present were BRAD ARNTZEN, PAUL DESCHEEMAERKER, DAVID DOVER, TERRY FROST, JASON SWANZ and MIKE VLASTELIC. GENERAL MANAGER SCOTT SWEENEY, LINE SUPERINTENDENT DALE RIKALA, 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 MEETINGS.** After reviewing the minutes of the July 28, 2016 general meeting, MIKE VLASTELIC moved to approve them. JASON SWANZ 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. LINDA ROCHE, a Fergus member representing the Central Montana Resource Council, appeared before the Board and sat in on the conference call with WILL LUTGEN of Symbios Consulting regarding the community solar member telephone survey results. LUTGEN gave a comprehensive report on the phone survey. Following the phone call, discussion covered how the membership will be informed about community solar. It was suggested that Symbios Consulting might be able to help with a business plan. Also, the cooperative could work jointly with the Central Montana Resource Council. Some thought could be given to member meetings as well.
5. **COMMUNITY SOLAR DRAWING.** As part of the solar survey, those responding were enrolled in a drawing for a \$50 bill credit. The Board of Directors drew the following names: WILLIAM CANON, JERROME COLE, KIM DEMARS, JOHN DUNCAN, CRYSTAL HAMILTON, ALLEN HAROLD, DICK MACCATHERINE, DAVID PAUGH, RAIN DANCE, LLC and KINER RANCH.
6. **MEMBERS 1ST POWER COOPERATIVE.** LES PENNING, Assistant General Manager, and DOUG WILSON, Chief Information Officer, of PRECorp gave a presentation on the potential structure and available services that members of the Members 1st Power Cooperative can expect. In addition, they reviewed the multiple benefits to each member organization along with the external and internal website potential.
7. **RESOLUTION TO AUTHORIZE THE FORMATION OF MEMBERS 1ST POWER COOPERATIVE.** After discussion, PAUL DESCHEEMAERKER moved to authorize the formation of Member 1st Power Cooperative of which Fergus Electric, Tongue River and PRECorp will be members. MIKE VLASTELIC seconded the motion, which carried unanimously. A copy is attached.
8. **PRECORP BOARD AND ANNUAL MEETING.** Fergus Electric's representative on the PRECorp Board, MIKE VLASTELIC, and SCOTT SWEENEY, General Manager, reported on the August 16 meeting that took place in Gillette. VLASTELIC reported on PRECorp's annual meeting in Buffalo, Wyoming August 27.

9. **SOUTHERN BOARD.** DAVID DOVER, JASON SWANZ and MANAGER SWEENEY reported on the August 24 meeting in Billings and noted that a member deposit refund of previous sweep payments was made to Fergus Electric. They also reported that a May 31 payment satisfied the secured noteholder claims (Prudential and Modern Woodman) and the last payment made in June 21 satisfied the construction lien claims. A Southern members' meeting will take place September 14 with DAVID DOVER and JASON SWANZ voting on behalf of Fergus to dissolve Southern.
10. **EXECUTIVE SESSION.** The Board convened in an executive session to discuss Southern issues.
11. **HIGH DEDUCTIBLE MEDICAL PLAN.** MANAGER SWEENEY reviewed with the Board how a high deductible medical plan works. After discussion, TERRY FROST moved to contribute into an employee/family Health Savings Account (HSA) for one year. PAUL DESCHEEMAERKER seconded the motion, which carried unanimously.
12. **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 July 2016 operating report prepared by OFFICE MANAGER SALLY HORACEK and the July analysis of operating statistics prepared by FINANCIAL ANALYST JANINE RIFE DIDIER.
13. **OPERATIONS REPORT.** LINE SUPERINTENDENT DALE RIKALA reported that, to date, 35 new meters have been installed. 209 new poles were added with 194 being retired of which 190 were junked. This compares to 40 new meters and 174 junk poles in August of 2015. GORDON McCONKEY discussed May Day protocol and hazard communication at the August 4 safety meeting. MIKE STIFF reviewed benefits on August 11. RIKALA also noted that LOUIE HOULD has been promoted to a serviceman.
14. **INVENTORY OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 578-578X for \$58,208.82 and 578-578X (A) for \$7,797.81, MIKE VLASTELIC moved to approve them. PAUL DESCHEEMAERKER seconded the motion, which carried unanimously.
15. **REPORT OF CORPORATE COUNSEL.** CORPORATE COUNSEL KRIS BIRDWELL noted he had attended the NRECA Legal Seminar and he would give a report at the next board meeting. He reviewed several other cooperative items including the Member 1st Power Cooperative Bylaws.
16. **MEMBERS 1ST POWER COOPERATIVE.** After discussion, TERRY FROST moved to appoint MIKE VLASTELIC as Fergus Electric's representative on the Members 1st board and BOB EVANS as alternate representative. PAUL DESCHEEMAERKER seconded the motion which carried unanimously.
17. **TINTINA RESOURCES INC.– BLACK BUTTE COPPER PROJECT.** MANAGER SWEENEY reported that Tintina requested a letter from Fergus stating that less than one tenth of an acre will be disturbed at each site should a transmission pole have to be set in a wetland. SWEENEY reported that he and JANINE RIFE DIDIER crafted a letter that was forwarded to the company.
18. **CAPITAL CREDIT CHECKS.** OFFICE MANAGER SALLY HORACEK reported that about \$250,000 in capital credits will be retired in October.

19. BASIN RENEWABLE ENERGY. MANAGER SWEENEY noted that he is planning to enroll Fergus Electric for Basin Power Cooperative renewable energy purchases. Fergus will receive five cents per kWh of what a community solar project generates as long as Basin gets the "green renewable energy credits".

20. OFFICE MANAGERS' MEETING. OFFICE MANAGER SALLY HORACEK reported on the August 18-19 meeting in Helena. TOD YOUNG, Director of Finance & Accounting, gave a presentation on deferred revenue. Other updates included reports from RUS, Federated and GARY WIENS of MECA.

21. CAPITAL CREDIT RETIREMENTS. The Board reviewed the August, 2016 estate capital credit retirements of \$8,508.06 prepared by SUSAN HINKLEY. JASON SWANZ moved to affirm the retirements and BRAD ARNTZEN seconded the motion, which carried unanimously.

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

23. CFC VOTING DELEGATE. TERRY FROST moved to appoint MIKE VLASTELIC as voting delegate to the CFC Annual Meeting in Reno October 8-10 and PAUL DESCHEEMAER as alternate. DAVID DOVER seconded the motion, which carried unanimously.

24. SIGNAL PEAK, LLC AND EXPRESS PIPELINE. The combined load factor for the 50Kv and 100Kv Signal Peak substation was 47.4%. Express Pipeline had a combined load factor of 54.9%.

25. TODAY'S MEMBERS APPOINTMENT. TERRY FROST suggested that APPRENTICE LINEMAN CASEY KOMBOL represent the cooperative in the Today's Members Program that takes place in conjunction with the MECA Annual Meeting in Great Falls, September 26-29. He agreed to contact KOMBOL.

26. OTHER BUSINESS. BENEFITS ADMINISTRATOR VANGIE McCONNELL reviewed with the Board the reservations and the schedule for the MECA Annual Meeting in Great Falls, September 26-29 in Great Falls and made adjustments accordingly.

27. APPRECIATION BARBECUE. JASON SWANZ suggested that the Board prepare a meal in appreciation for the work Fergus Electric's employees do. All the Board agreed and the date was set for the next safety meeting on September 16. Steaks, salads, desserts and drinks will be provided.

28. FUTURE MEETINGS

- a. Southern Board, Billings, Sept. 14
- b. Safety, NOVA Breaker Controls, Eric Bjorkman of Anixter, Sept. 16
- c. MECA Operations Conference, Helena, Sept. 19-22
- d. PRECorp Board, Sheridan, Sept 23
- e. NRECA Course, 958.1, Succession Planning: Developing the Purpose-Driven Organization, Sept. 26


FUTURE MEETINGS CONTINUED.

- f. MECA Annual and Today's Members, Great Falls, Sept. 26-29
- g. Fergus Board, Sept. 30 (Fri.), Oct. 28 (Fri.), Dec. 2, Dec.22
- h. NRECA Region 7 & 9, CFC Annual, Reno, Oct. 5-6
- i. Basin Annual, Bismarck, Nov. 8-10
- j. Christmas Dinner, Pine Meadows, Dec. 2

32. NEWS FROM THE DISTRICTS.

33. ADJOURN. PRESIDENT EVANS adjourned the meeting at 4:30 p.m.


Secretary

Attest: 
President