

MINUTES - GENERAL BOARD MEETING DECEMBER 21, 2017
FERGUS ELECTRIC COOPERATIVE, INC.

1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session December 21, 2017 with PRESIDENT BOB EVANS calling the meeting to order at 10:00 a.m. TERRY FROST was secretary and VANGIE McCONNELL was scrivener. Other board members present were JASON SWANZ, PAUL DESCHEEMAEKER, BRAD ARNTZEN and CATHY KOMBOL. 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 of interest or importance to them. No member appeared.
3. **APPROVAL OF AGENDA.** After reviewing the meeting agenda, PAUL DESCHEEMAEKER 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 December 1, 2017 general meeting and discussing them, PAUL DESCHEEMAEKER moved their approval. JASON SWANZ seconded the motion, which carried unanimously.
5. **EXECUTIVE SESSION.** CATHY KOMBOL moved to continue the meeting in an executive session starting at 10:15 a.m. for the manager's review. PAUL DESCHEEMAEKER seconded the motion which carried unanimously.
6. **REGULAR MEETING CONTINUES.** The general meeting resumed at 10:45 a.m. with JASON SWANZ moving to ratify discussion covered in the executive session. TERRY FROST seconded the motion which carried.
7. **TRUCK GARAGE.** LINE SUPERINTENDENT DALE RIKALA reported that bids had been issued to four contractors for the truck garage. Two bids were received. After discussion, PAUL DESCHEEMAEKER moved to approve the low bid presented by Birdwell Builders not to exceed \$679,212.49. BRAD ARNTZEN seconded the motion, which passed unanimously.
8. **WILL LUTGEN CONFERENCE CALL.** Along with WILL LUTGEN, the Board and management discussed the 2018-2022 Strategic Plan.
9. **NEW TRUCKS.** LINE SUPERINTENDENT DALE RIKALA presented information regarding the purchase of two new Altec trucks. After discussion, TERRY FROST approved the purchase of a bucket truck costing \$275,663.60 and a digger truck costing \$284,327.36. JASON SWANZ seconded the motion which, carried unanimously. Both trucks are 6 X 6 Freightliners. LINE SUPERINTENDENT RIKALA also noted that the 2007 digger truck needs a new motor and a rotation gear.
10. **NEW METERING SYSTEM.** MANAGER SWEENEY reported that Fergus Electric Cooperative and Powder River Energy Corporation are continuing to work together on a new metering system. The plan is to narrow the top four bidders to the top two and then to obtain more accurate bids and check references to determine the best system.
11. **MEMBERS 1ST AND PRECORP BOARD.** PAUL DESCHEEMAEKER, DALE RIKALA and SCOTT SWEENEY attended the Members 1st and PRECorp Board meetings in Sheridan on December 18 & 19.
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 thus seen were the November operating report prepared by OFFICE MANAGER SALLY HORACEK and the November analysis of operating statistics, prepared by FINANCIAL ANALYST JANINE RIFE DIDIER.

13. OPERATIONS REPORT. The Board considered the December 15, 2017 report prepared by LINE SUPERINTENDENT DALE RIKALA outlining operations and maintenance, engineering and safety. RIKALA reported that new services for homes have been installed near Winifred and south of Roundup. The crews also are installing sites for T-Mobile cellular in the Roundup area. About 50 meter readings in the Utica area have been estimated for the last two months. The crews think the problem is originating from an oil circuit recloser. It has been changed out. The December 6th safety meeting covered CPR, First Aid and AED training. The January meeting will be the co-op's annual Wellness Day. A high voltage safety demonstration is set for January 4, 2018.

14. REPORT OF CORPORATE COUNSEL. CORPORATE COUNSEL KRIS BIRDWELL reported on a variety of topics of co-op importance.

15. INVENTORY OF WORK ORDERS. After reviewing Inventory of Work Orders No. 589-589X for \$83,570.12 and 589-589X (A) for \$68,429.03 dated November 30, 2017. BRAD ARNTZEN moved their approval. TERRY FROST seconded the motion, which carried unanimously.

16. BOARD POLICY 231 – CONTROLLED SUBSTANCES AND ALCOHOL USE. The Board reviewed Board Policy 231 and tabled action with review planned for the next general meeting.

17. BOARD POLICY 235 – CONFLICTS OF INTEREST. After reviewing Board Policy 235, no changes were made.

18. BOARD POLICY 236 – DAMAGE TO PRIVATE VEHICLES USED FOR COMPANY BUSINESS. After reviewing Board Policy 236, no changes were made.

19. BOARD POLICY 237 – DISTANCE FROM HEADQUARTERS. After reviewing Board Policy 237, TERRY FROST moved to amend the policy. BRAD ARNTZEN seconded the motion, which carried unanimously. A copy is attached.

20. BOARD POLICY 238 – TRUSTEE SEARCH AND SELECTION AND ADDENDUM “A” – STATEMENT OF QUALIFICATIONS. The Board reviewed Board policy 238 and tabled action with review planned for the next general meeting.

21. NWPPA BOARD. The manager of NWPPA, ANITA DECKER, asked GENERAL MANAGER SWEENEY to run for a position on the NWPPA Board. After discussion, the Board encouraged SWEENEY to seek the position.

22. RESOLUTION TO IMPLEMENT REVENUE DEFERRAL PLAN. MANAGER SWEENEY asked the Board to approve a resolution for a revenue deferral plan with part of margins from 2017 to carry over in 2018 and 2019. The reason is to keep the TIER and debt service coverage in good standing with both RUS and CFC. After discussion, PAUL DESCHEEMAERKER moved to approve the resolution. BRAD ARNTZEN seconded the motion, which carried unanimously. A copy is attached.

23. ESTATE CAPITAL CREDITS. The Board reviewed the December 2017 estate capital credit retirements of \$9,751.57 prepared by SUSAN HINKLEY. PAUL DESCHEEMAERKER moved to affirm the retirements and BRAD ARNTZEN seconded the motion, which passed 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. POWER OUTAGE REPORT. MANAGER SWEENEY and the Board reviewed a report covering power interruptions for January through November prepared by VANGIE McCONNELL.

26. **WASHINGTON, D.C. YOUTH TOUR.** After discussion, PAUL DESCHEEMAEKER moved to sponsor two students to represent the cooperative on the June. 9-15, 2018 Washington Youth Tour. TERRY FROST seconded the motion, which carried unanimously.

27. **REIMBURSEMENT.** After discussion, BRAD ARNTZEN moved to reimburse a member for damage, if necessary. PAUL DESCHEEMAEKER seconded the motion, which passed unanimously.

28. **SIGNAL PEAK AND EXPRESS PIPELINE.** The combined load factor for Signal Peak was 46.9% for the month of November. The load factor for Express Pipeline was 52.0%.

29. **FUTURE MEETINGS.**

- a. PRECorp, Sundance, Jan. 16
- b. Safety, Wellness Day, Jan. 17
- c. Basin MAC, Bismarck, Jan. 24
- d. Board, Jan. 31
- e. NRECA Annual, Nashville, Feb.22 - 28
- f. CCD 2620, Board Operations and Process, Mar. 13, Lewistown
- g. CCD 2640 - Financial Decision Making, March 14 & 15, Lewistown
- h. BLC 929.1 - Current Issues in Policy Development, Apr. 3, Great Falls
- i. MECA Board, Apr. 4 & 5, Great Falls
- j. NRECA Legislative Conference, Washington, D.C. Apr. 8-10

30. **NEWS FROM THE DISTRICTS.**

31. **ADJOURN.** PRESIDENT BOB EVANS adjourned the meeting at 4:00 p.m.

SECRETARY _____

ATTEST:

PRESIDENT _____

