

MINUTES
GENERAL BOARD MEETING, MARCH 28, 2019
FERGUS ELECTRIC COOPERATIVE, INC.

- 1. GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session March 28, 2019 with VICE PRESIDENT PAUL DESCHEEMAERKER calling the meeting to order at 10:05 a.m. JANINE RIFE DIDIER was scrivener. Board members in attendance were BRAD ARNTZEN, TERRY FROST, CATHY KOMBOL, BRETT MAXWELL, JASON SWANZ, and BOB EVANS participated telephonically. GENERAL MANAGER SCOTT SWEENEY, ASSISTANT GENERAL MANAGER DAVID DOVER, CORPORATE COUNSEL KRIS BIRDWELL, LINE SUPERINTENDENT DALE RIKALA and OFFICE MANAGER SALLY HORACEK were also present.
- 2. APPROVAL OF AGENDA.** After reviewing the meeting agenda, BRAD ARNTZEN moved to approve it. BRETT MAXWELL seconded the motion, which carried unanimously.
- 3. APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of the February 28, 2019 general meeting and discussing them, TERRY FROST moved their approval. 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. No member appeared.
- 5. 2018 AUDIT REPORT.** CORY WHEELER of Smith, Lange & Halley, P.C., Certified Public Accountants presented and reviewed the firm's audit report of Fergus Electric Cooperative Inc.' financials for years ended December 31, 2018 and 2017. WHEELER invited questions and comments. After discussion, JASON SWANZ moved to approve the audit. CATHY KOMBOL seconded the motion, which carried unanimously.
- 6. 2019 BUDGET AMENDMENT.** MANAGER SCOTT SWEENEY told the Board that upon further review of the approved 2019 Budget, staff noticed that the amount shown on line one, Operating Revenue and Patronage, should be less than what was shown on the original budget. After discussion, TERRY FROST moved to approve amending the 2019 Budget. BRETT MAXWELL seconded the motion, which carried unanimously.
- 7. TRANSMISSION LINE UPDATE.** LINE SUPERINTENDENT DALE RIKALA reported that Rocky Mountain Contractors' (RMC) crews expect to have the new transmission line operational today, March 28. RIKALA said that he is happy with RMC's work and has enjoyed working with the foreman and crews. RIKALA noted that he talked with RMC about the clean-up work, including fixing ruts, that would need to be done.
- 8. NEW METERING SYSTEM.** ASSISTANT MANAGER DAVID DOVER reported that Fergus has ordered equipment and meters for Phase 1 of our AMI system. The co-op has received the initial design for the Phase 1 (test) area and expects to receive the same for the entire system by mid-May. Site survey training, which will consist of approximately 10 employees being trained, is scheduled for the week of April 29, with the site survey process to start around June 1.
- 9. TRUCK GARAGE.** LINE SUPERINTENDENT DALE RIKALA reported that the truck garage does not have water yet and that the co-op is waiting on the Department of Environmental Quality (DEQ) for instruction.
- 10. SANDFIRE RESOURCES COPPER MINE.** ASSISTANT MANAGER DAVID DOVER reported that Sandfire Resources has agreed to the system impact study that will be conducted by NorthWestern Energy. The Environmental Impact Statement public comment period closes May 10 and the DEQ's Record of Decision is expected the second week of August 2019.
- 11. COOPERATIVE SOLAR - PHASE 2.** GENERAL MANAGER SCOTT SWEENEY spoke to the Board about the possibility of expanding its solar array by adding additional rows. After discussion, the Board asked that the feasibility, cost of project, bidders and timeline be presented at the April Board meeting for review and discussion.

12. LINE PERSONNEL NEEDED. MANAGER SWEENEY, ASSISTANT MANAGER DAVID DOVER and LINE SUPERINTENDENT DALE RIKALA recommended the co-op hire a new Lewistown lineman and potentially a Roundup lineman as well due to the additional AMI work load, anticipated construction and retirement work load and imminent staff retirements, and they requested the co-op begin advertising now to fill the position of a journeyman-lineman and/or apprentice-lineman. After further discussion, the board approved hiring one- or two-line personnel as needed.

13. FINANCIAL AND OTHER MONTHLY REPORTS. GENERAL MANAGER SCOTT SWEENEY presented financial and other monthly reports to the Board for discussion. OFFICE MANAGER SALLY HORACEK reviewed the February 28, 2019 operating report. FINANCIAL ANALYST JANINE RIFE DIDIER presented the January 31, 2019 and February 28, 2019 ratios reports.

14. INVENTORY OF WORK ORDERS. After reviewing Inventory of Work Orders No. 594-594X for \$328,691.59 and 594-594X (A) for \$33,391.73 dated February 28, 2019, BOB EVANS moved to approve them. TERRY FROST seconded the motion, which carried unanimously.

15. POWER OUTAGE REPORT. GENERAL MANAGER SWEENEY and the Board reviewed a report prepared by JANINE RIFE DIDIER covering power interruptions for January-February 2019.

16. OPERATIONS REPORT. LINE SUPERINTENDENT DALE RIKALA reported that on March 25, an outage was caused by a pole being washed out by the Judith River. RIKALA noted that MICHAEL WEIBLE of Altec Industries will be at the co-op during the first week of April to discuss details for ordering a digger truck and serviceman-bucket truck, which will be included in the 2020 budget. RIKALA updated the Board and Management on the quotes he received to replace the existing shop lights with LED fixtures, and said that once the fixtures are changed to LEDs, about one-third of the electricity will be used. RIKALA told about wanting to install a light switch to operate the lights above the board room flags and improve the flag lighting outdoors. The March safety meeting was postponed until May and TROY KAMPS, MECA's new safety instructor, will present Fire Extinguisher Use/Fire Emergency Action Plan, Flammable Combustible Materials Handling and Nominal Voltage Determination at the April 10 safety meeting.

17. BOARD POLICY 220 - ALLOCATING, VESTING AND RETIRING CAPITAL CREDITS. The Board tabled discussion concerning further review of Board Policy 220 until next month's meeting.

18. REPORT OF CORPORATE COUNSEL. CORPORATE COUNSEL KRIS BIRDWELL reviewed items of importance to the cooperative.

19. FEDERATED INSURANCE COMPANY. ASSISTANT MANAGER DAVID DOVER reported that DAVE REHRER of Federated Insurance Company met with the co-op's management for his annual review of the co-op's insurance policy. DAVE REHRER told management he felt the insurance limits for Fergus Electric Cooperative were satisfactory. Discussion followed.

20. PRECORP BOARD/MEMBERS 1ST. PAUL DESCHEEMAEKER and ASSISTANT MANAGER DAVID DOVER reported on the March 5 and March 18-19, 2019 meetings.

21. NOMINATING COMMITTEE MEETING. GENERAL MANAGER SCOTT SWEENEY reported that he and OFFICE MANAGER, SALLY HORACEK met with the District 1 and District 6 Nominating Committees on February 20 at the Yogo Inn to provide them with guidelines and general information to assist them in finding and nominating members who are interested in running for a position on the board.

22. ESTATE CAPITAL CREDITS. The Board reviewed the March 2019 estate capital credit retirements of \$3,914.85 prepared by SUSAN HINKLEY. JASON SWANZ moved to affirm the retirements and BRAD ARNTZEN seconded the motion, which carried unanimously.

23. DELINQUENT ACCOUNTS/NEW MEMBERS LIST. The Board reviewed the delinquent accounts showing those that were paid in full and those that were still owing. A list of new members was also reviewed. Write offs will be presented to the Board for approval at the May 2019 general board meeting.

24. FUTURE MEETINGS.

- a. MECA Spring Board Meeting, April 2-3, Great Falls
- b. Safety Meeting, Fire Emergency- and Combustible Materials- related safety, MECA Safety Instructor, Troy Kamps, April 10
- c. Members 1st and PRECorp Board, April 16, Sundance and May 21, Gillette
- d. NRECA Legislative Conference, April 28-30, Washington, D. C.
- e. FEC Board, Apr. 25 – 10 a.m., May 30 and June 27
- f. NWPPA Annual Conference and Membership Meeting, May 19-22, Sacramento

25. NEWS FROM THE DISTRICTS.

26. ADJOURNMENT. VICE PRESIDENT PAUL DESCHEEMAEKER adjourned the meeting at 3:50 p.m.

SECRETARY *Terry Frost* ATTEST: PRESIDENT *Paul Descheemaeker*