

**MINUTES - BOARD MEETING  
MAY 25, 2017  
FERGUS ELECTRIC COOPERATIVE, INC.**

- 1. GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session May 25, 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 DAVID DOVER, JASON SWANZ, PAUL DESCHEEMAERKER, BRAD ARNTZEN and MIKE VLASTELIC. CORPORATE COUNSEL KRIS BIRDWELL, GENERAL MANAGER SCOTT SWEENEY, LINE SUPERINTENDENT DALE RIKALA 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, BRAD ARNTZEN moved to approve it. PAUL DESCHEEMAERKER seconded the motion, which carried unanimously.
- 4. APPROVAL OF MINUTES OF PREVIOUS MEETINGS.** After reviewing the minutes of the April 29, 2017 general meeting and discussing them, DAVID DOVER moved their approval. BRAD ARNTZEN seconded the motion, which carried unanimously. A motion to approve the May 19, 2017 conference call minutes was made by PAUL DESCHEEMAERKER. TERRY FROST seconded the motion, which carried unanimously.
- 5. MEMBERSHIP TO VOTE ON A TRUCK GARAGE AT ANNUAL MEETING.** Estimates for a 100' X 100' steel building were presented to the Board for their consideration.
- 6. COOPERATIVE SOLAR PROJECT.** JASON SWANZ moved to allow MANAGER SWEENEY to sign an AIA (American Institute of Architects) document that will be forwarded to the contractor, Independent Power Systems of Bozeman, for a signature. BRAD ARNTZEN seconded the motion, which carried unanimously. SWEENEY also noted that Bridgeford Construction will remove trees where the solar panels will be placed and the cooperative will install underground power lines.
- 7. SOUTHERN MONTANA ELECTRIC G&T.** MANAGER SWEENEY and the Board noted that with the dissolution of Southern Montana Electric G&T, SOUTHERN ACCOUNTANT CARRIE BOYSUN should, in some way, be recognized for her years of dedicated service. SWEENEY also mentioned that each of the member co-ops (Fergus, Mid-Yellowstone and Tongue River) will receive cash distributions.
- 8. HEAT RATE DEVELOPMENT.** After discussion and in consideration of Basin Electric's proposed heat rate, PAUL DESCHEEMAERKER moved to direct Fergus Staff to take the necessary steps to begin the process of implementing an electric heat rate to be effective this fall. DAVID DOVER seconded the motion, which passed unanimously.
- 9. MEMBERS ON THE MEMBERS 1<sup>ST</sup> AND PRECORP BOARDS, GILLETTE - MAY 16.** MIKE VLASTELIC and SCOTT SWEENEY reported on the May 16 meetings. VLASTELIC and SWEENEY noted that Members 1<sup>st</sup> is an associate member of MECA, NRECA, WREA and Mid-West. MANAGER SWEENEY reported that Fergus Electric's representative to the Members 1<sup>st</sup> and PRECorp boards, MIKE VLASTELIC, is not seeking re-election, so a new representative will be appointed. BOB EVANS agreed to represent the cooperative at Members 1<sup>st</sup> and PRECorp meetings.
- 10. NEW METERING SYSTEM.** VLASTELIC and SWEENEY reported that Fergus Electric and PRECorp are considering a joint purchase of a new metering system which will include prepaid meters and outage detection.
- 11. TINTINA RESOURCES.** MANAGER SWEENEY noted that the next tour of the mine site is set for June 1. BRAD ARNTZEN, TERRY FROST and PAUL DESCHEEMAERKER plan to take the tour.

**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 April operating report prepared by OFFICE MANAGER SALLY HORACEK and the April analysis of operating statistics prepared by FINANCIAL ANALYST JANINE RIFE DIDIER.

**13. OPERATIONS REPORT.** The Board considered the May 19, 2017 report prepared by LINE SUPERINTENDENT DALE RIKALA outlining operations and maintenance, engineering and safety. RIKALA reported that in 2017 14 new meters have been installed. Sixty-two new poles were set with 58 retired of which 50 were junked This compares to 11 new meters and 101 junk poles in May of 2016. STAKING ENGINEERS GUY JOHNSON and MELANIE FORAN attended an NESC Code Update Course in Cut Bank on May 16 and 17. They will attend an Avian Protection Training Seminar in Billings on June 1. SCOTT OLSON, an electrical engineering student at Montana Tech in Butte, is working in the engineering department for the summer.

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

**15. BOARD POLICY 220 – PROCEDURE ON VESTING AND RETIREMENT OF CAPITAL CREDITS.** The Board reviewed Policy 220 and tabled further discussion for the next meeting.

**16. BOARD POLICY 221 – EMPLOYEE/TRUSTEE TRAINING AND DEVELOPMENT.** After a review of Policy 221, JASON SWANZ moved to approve the policy as written. PAUL DESCHEEMAEKER seconded the motion, which carried unanimously.

**17. BOARD POLICY 223 – EMPLOYEE USE OF COOPERATIVE VEHICLES AND EQUIPMENT.** After reviewing Policy 223, TERRY FROST moved to amend the policy. MIKE VLASTELIC seconded the motion which passed. A copy is attached.

**18. BOARD POLICY 224 – MARKETING ELECTRICITY, SERVICES, AND PRODUCTS.** After reviewing Policy 224, DAVID DOVER moved to approve the policy as written. TERRY FROST seconded the motion, which carried unanimously.

**19. REPORT OF CORPORATE COUNSEL.** CORPORATE COUNSEL KRIS BIRDWELL reported he had worked on several capital credit issues, a NorthWestern Energy contract and the Cooperative Solar Project. The Board also approved BIRDWELL's request to attend an NRECA attorney's seminar.

**20. AFFIRMATION OF CAPITAL CREDIT ESTATE RETIREMENTS.** The Board reviewed the May 2017 estate capital credit retirements for \$11,115.78 prepared by SUSAN HINKLEY. PAUL DESCHEEMAEKER moved to affirm the retirements and BRAD ARNTZEN seconded the motion, which carried unanimously.

**21. SAFETY MEETING.** The May 4 safety meeting included Fire Extinguisher Use/Fire Emergency Action Plan; Flammable/Combustible Materials Handling; Job Briefings and Mayday Protocol. SAFETY INSTRUCTOR JOHNNIE STANTON of the Montana Electric Cooperatives' Association was the presenter.

**22. NWPPA ANNUAL CONFERENCE.** BOB EVANS reported on the May 7-10 meeting at the Sunriver Resort in Oregon. Among other topics, he learned that it is important for older employees to mentor younger employees.

**23. 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.

**24. BASIN MANAGER ADVISORY COMMITTEE.** MANAGER SWEENEY reported on the May 3-4 meeting in Bismarck.

25. **SAGE GROUSE.** MANAGER SWEENEY reported on the Sage Grouse meeting he attended in Helena with CAROLYN SIME, manager of the state's sage grouse conservation program, GARY WIENS of MECA and ROLLIE MILLER of Vigilante Electric Cooperative.

26. **BOARD RETREAT.** Board members suggested that another retreat should be considered in the future. A time and place will be discussed at another board meeting.

27. **SIGNAL PEAK, LLC AND EXPRESS PIPELINE.** MANAGER SWEENEY noted that the combined load factor for the 50kV and 100kV Signal Peak Sub was 57.0%. Express Pipeline had a combined load factor of 77.5%.

28. **FUTURE MEETINGS.**

- a. Special Board, June 8, 10 a.m.
- b. FEC Annual, June 8, 11 a.m.
- c. Reorganization, June 8, Following Annual Meeting
- d. Dinner, Yogo Inn, June – Approximately 5:30 p.m.
- e. Safety – Hearing Tests and Pole Top Rescue – June 14
- f. PRECorp/Members 1<sup>st</sup>, Sheridan, June 19-20
- g. Board, June 22, Aug. 2 (Wed.), Aug. 31
- h. MECA Summer Board, Kalispell, July 6-7

29. **NEWS FROM THE DISTRICTS.** Each board member shared items of interest.

30. **ADJOURN.** PRESIDENT BOB EVANS adjourned the meeting at 3:50 p.m.

SECRETARY Terry Inost

ATTEST:  
PRESIDENT Robert D Evans