

**MINUTES**  
**GENERAL BOARD MEETING, NOVEMBER 30, 2018**  
**FERGUS ELECTRIC COOPERATIVE, INC.**

- 1. GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session November 30, 2018 with PRESIDENT BOB EVANS calling the meeting to order at 1 p.m. TERRY FROST was secretary and VANGIE McCONNELL was scrivener. Other board members present were BRAD ARNTZEN, PAUL DESCHEEMAERKER, CATHY KOMBOL, BRETT MAXWELL and JASON SWANZ. GENERAL MANAGER SCOTT SWEENEY, ASSISTANT GENERAL MANAGER DAVID DOVER, CORPORATE COUNSEL KRIS BIRDWELL, LINE SUPERINTENDENT DALE RIKALA, OFFICE MANAGER SALLY HORACEK and FINANCIAL ANALYST JANINE RIFE DIDIER were also present.
- 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, TERRY FROST moved to approve it. PAUL DESCHEEMAERKER seconded the motion, which carried unanimously.
- 4. APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of the October 25, 2018 general meeting and discussing them, JASON SWANZ moved their approval. BRAD ARNTZEN seconded the motion, which carried unanimously.
- 5. 50KV TRANSMISSION LINE REBUILD.** LINE SUPERINTENDENT DALE RIKALA reported that the Rocky Mountain Contractors' crews have set new poles from the Denton turn-off to the north end of the project. The existing conductors have been spread and stringing new conductors takes place next. RIKALA added that the long outages formerly predicted will not occur as the contractors are doing everything hot. Photos of the project were shared.
- 6. NEW METERING SYSTEM.** ASSISTANT MANAGER DAVID DOVER reported that staff will meet with PRECorp, NRTC and Itron on December 20 and 21 for the Kick-Off meeting. PRECorp will meet with NRTC and Itron prior to the December meeting, so the latest information will be available. Areas of implementation will be discussed.
- 7. BOARD RETREAT.** A short discussion covered the recent board retreat. The Board felt it was very informative and as a result agreed to invite CFC REPRESENTATIVE ERIC ANDERSON to present one of the many topics available at a future board meeting. Examples discussed were a review of the KRTA or cost of service.
- 8. TRUCK GARAGE.** LINE SUPERINTENDENT DALE RIKALA led the Board on a tour of the new truck garage. RIKALA predicted it would be in use before the next board meeting. He added that 12 pieces of equipment will fit in the new building.
- 9. SANDFIRE AMERICA RESOURCES – NOVEMBER 27 MEETING.** ASSISTANT MANAGER DAVID DOVER reported that along with MANAGER SWEENEY and STAKING ENGINEER MELANIE FORAN, he met with Sandfire representatives, the Castle Mountain ranch manager and the Forest Service. The mine is currently working on permits, doing a feasibility study, and working on other mine-related issues.
- 10. RESOLUTION TO IMPLEMENT REVENUE DEFERRAL PLAN.** The cooperative received a NorthWestern Energy settlement on a transmission over-charge resulting in excess margins. Fergus Electric wishes to implement a Rural Utilities Service-approved revenue deferral plan to defer the settlement dollars. PAUL DESCHEEMAERKER moved to approve the revenue deferral and CATHY KOMBOL seconded the motion, which carried unanimously. A copy of the resolution is attached.

11. **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 October 2018 operating report. HORACEK also noted that the funds awarded to Fergus Electric from the NorthWestern Energy over-charge lawsuit were received and deposited in the cooperative's bank account.
12. **INVESTMENT DISCUSSION.** OFFICE MANAGER SALLY HORACEK reviewed Fergus Electric's current investments and possible agencies that would offer a better interest rate. As investments come due, HORACEK will review the current rates and consider other investment possibilities.
13. **OPERATIONS REPORT.** LINE SUPERINTENDENT DALE RIKALA reviewed the November Operation and Maintenance, Engineering and Safety report. He reported that crews are working on the tie-line between the Straw and Glengarry substations. Plans are to continue building three phase line to the west and tie into the feeder that serves Bos Terra. NRECA REPRESENTATIVE DUPREE GODWIN presented an overview of Fergus Electric's retirement benefits and met, individually, with employees.
14. **POWER OUTAGE REPORT.** GENERAL MANAGER SWEENEY and the Board reviewed a report prepared by VANGIE McCONNELL covering power interruptions for January through October.
15. **INVENTORY OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 592-592X for \$151,523.04 and 592-592X (A) for \$23,632.80 dated August 31, 2018, TERRY FROST moved to approve them. BRAD ARNTZEN seconded the motion, which carried unanimously.
16. **BOARD POLICY 302 – SALARY, WAGE, AND BENEFIT ADMINISTRATION.** After discussion, BRAD ARNTZEN moved to delete Board Policy 311 – Employee, Director, Dependent Pensions and Benefits, and incorporate it into Policy 302. JASON SWANZ seconded the motion, which carried unanimously. A copy of the amended policy is attached.
17. **SIGNAL PEAK COAL MINE.** MANAGER SWEENEY reported that the mine is doing well with shipments being shipped to Canada for export.
18. **CAPITAL CREDITS.** MANAGER SWEENEY reported that 2,000 capital credit checks for the years 1987, 1988 and 1989 had been mailed. This is 4.2% of the total Patronage Capital reported on RUS Form 7. SUSIE HINKLEY and SALLY HORACEK are to be complimented for a job well done.
19. **BAD DEBT WRITE OFFS.** MANAGER SWEENEY noted that he had visited with AUDITOR CORY WHEELER about writing off bad debt at the end of year instead of quarterly. SWEENEY also noted that by using discounted capital credits, the number of write-offs will be reduced.
20. **ASSISTANT MANAGER'S REPORT.** DAVID DOVER reported on his second Management Internship Program in Madison, Wisconsin. Some of the topics covered were public speaking, capital expenditures, cyber security, equity management, data analytics, political engagement, key accounts and disruptive technologies. DOVER is required to complete a project to present to the class. DOVER will complete an Equity Management Plan for Fergus Electric. He also noted that he would like the co-op to consider conducting an employee opinion survey.
21. **2018 FIRST ONE-HALF OF REAL ESTATE TAXES.** MANAGER SWEENEY noted that the co-op paid almost \$300,000 of the first one-half of real estate taxes – up about \$22,000 from 2017.
22. **LEGISLATIVE DINNER.** MECA's GARY WIENS contacted MANAGER SWEENEY regarding a legislative dinner and update with a focus on MECA issues. A noon luncheon on December 19 was suggested.
23. **REPORT OF CORPORATE COUNSEL.** CORPORATE COUNSEL KRIS BIRDWELL reviewed items of importance to the cooperative.
24. **PRECORP BOARD/MEMBERS 1<sup>ST</sup>.** SCOTT SWEENEY and DAVID DOVER (via conference call) participated in the November 20, 2018 meetings.

*JJR*

