

**MINUTES**  
**GENERAL BOARD MEETING, APRIL 25, 2019**  
**FERGUS ELECTRIC COOPERATIVE, INC.**

- 1. GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session April 25, 2019 with PRESIDENT BOB EVANS calling the meeting to order at 10:00 a.m. JANINE RIFE DIDIER was scrivener. Board members in attendance were BRAD ARNTZEN, PAUL DESCHEEMAER, TERRY FROST, CATHY KOMBOL, BRETT MAXWELL and JASON SWANZ. 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, TERRY FROST 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 March 28, 2019 general meeting and discussing them, TERRY FROST moved their approval. BRETT MAXWELL 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. NRECA – RC3 RESOLUTION ON CYBERSECURITY.** ASSISTANT MANAGER DAVID DOVER introduced the “Resolution in Support of the NRECA RC3 program, MECA obtaining a RC3 assessment license, and Fergus Electric Cooperative, Inc. endorsing cybersecurity measures locally.” To summarize, the Resolution says that Fergus Electric recognizes the threats and possible vulnerabilities to the utility industry and the co-op and supports MECA obtaining a license to the RC3 Assessment Toolkit on behalf of Montana electric cooperatives, and Fergus Electric endorses appropriate cybersecurity measures for the cooperative and associated members. After discussion, BRETT MAXWELL moved to approve the resolution. PAUL DESCHEEMAER seconded the motion, which carried unanimously. A copy is attached.
- 6. TRANSMISSION LINE UPDATE.** LINE SUPERINTENDENT DALE RIKALA reported that Rocky Mountain Contractors will warranty their work for one year. Fergus Electric Co-op received a check for the salvaged material from the transmission line rebuild, sold to Steel, Etc., and applied the credit to the work order.
- 7. NEW METERING SYSTEM.** ASSISTANT MANAGER DAVID DOVER updated the board on the current AMI schedule including meter installation delays, working with NISC on integration and working with Verizon Wireless, Triangle Communications and Mid-Rivers Communications to establish communication from our AMI system to ITRON.
- 8. TRUCK GARAGE.** LINE SUPERINTENDENT DALE RIKALA reported that the truck garage does not have water yet, as the co-op is waiting for the Department of Environmental Quality (DEQ) to describe what is needed to complete the drain field work and meet compliance requirements concerning storm water runoff.
- 9. SANDFIRE RESOURCES COPPER MINE.** ASSISTANT MANAGER DAVID DOVER reported that meetings continue to be held between the mine and the public. The Environmental Impact Statement public comment period closes May 10 and the DEQ’s Record of Decision is expected in August 2019.
- 10. COOPERATIVE SOLAR – PHASE 2.** GENERAL MANAGER SCOTT SWEENEY reported that staff plans to review and discuss Phase 2 with the Board during the May board meeting. MANAGER SWEENEY was pleased to report that Fergus Electric received \$50,628 in REAP Grant funds for the application that was submitted for Phase 1 of the Co-op’s Cooperative Solar Project.
- 11. CAPITAL CREDIT ALLOCATION.** MANAGER SWEENEY and OFFICE MANAGER SALLY HORACEK reported the capital credit allocation is done and will appear on the next electric billing statement.



**12. 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 March 31, 2019 operating report and FINANCIAL ANALYST JANINE RIFE DIDIER presented the March 31, 2019 ratios report.

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

**14. OPERATIONS REPORT.** LINE SUPERINTENDENT DALE RIKALA reported that the Roundup and Lewistown crews have been busy with flood-related pole changeouts. RIKALA stated that the co-op selected Snowy Mountain Motors to supply the new Ford service truck the co-op is purchasing. Trucks ordered for the 2020 budget include a Ford serviceman-bucket and a Freightliner full size bucket truck. RIKALA reported that, to date, the co-op has received 12 applications for the lineman / apprentice lineman position being advertised. In May, SCOTT OLSON will begin working full time as a staking engineer. The May safety meeting will include the employees' Annual Hearing Test conducted by TINA BERG with CENTRAL MONTANA HEARING AND AUDIOLOGY. The agenda also includes a presentation by STEVE PAULSON with FEDERATED INSURANCE on Accident Investigation and Hazard Recognition.

**15. MECA SPRING BOARD MEETING.** TERRY FROST reported to the Board on the meeting held April 2-3. MECA COMMUNICATIONS DIRECTOR, RYAN HALL stated that there has been an increase in Rural Montana subscriptions of approximately twenty percent.

**16. ECI PROPOSAL.** DAN BALSTER, ENGINEER with ELECTRICAL CONSULTANTS, INC., professional design engineering services in Billings, Montana, met with the board to provide Fergus Electric with an overview of scope and costs associated with design, survey and permitting support for the proposed 100 kV transmission line to serve the Black Butte Copper Mine located north of White Sulphur Springs. Discussion followed.

**17. BOARD POLICY 220.0 ALLOCATING, VOTING AND RETIRING CAPITAL CREDITS.** CORPORATE COUNSEL KRIS BIRDWELL presented the amended Board Policy 220.0 to the Board and reviewed the changes that were made. After a period of discussion, TERRY FROST moved to accept Board Policy 220.0 as presented. JASON SWANZ seconded the motion, which carried unanimously.

**18. REPORT OF CORPORATE COUNSEL.** CORPORATE COUNSEL KRIS BIRDWELL reviewed items of importance to the cooperative. BIRDWELL reminded the board that it is their duty to read the annual IRS Form 990. BIRDWELL requested and received board approval to be absent from the June 27 general board meeting.

**19. DISCOUNT RATE FOR WRITE-OFFS.** GENERAL MANAGER SCOTT SWEENEY and CORPORATE COUNSEL KRIS BIRDWELL explained the methodology of discounting capital credits for bad debts being proposed. (The bad debt write-offs for 2018 will be presented to the Board for approval at the May 2019 general board meeting.) After a period of discussion, PAUL DESCHEEMAERKER moved to approve the 5.52 percent discount rate for write-offs for 2018. BRAD ARNTZEN seconded the motion, which carried unanimously.

**20. NWPPA ANNUAL CONFERENCE AND LEGISLATIVE MEETING.** PRESIDENT BOB EVANS signed a form permitting GENERAL MANAGER SCOTT SWEENEY to be the voting delegate at the NWPPA meeting in Sacramento, California in May.

**21. TOUCHSTONE ENERGY KEY ACCOUNTS TRAINING COURSE.** ASSISTANT MANAGER DAVID DOVER noted that he is scheduled to attend a Key Accounts training course in Bismarck, North Dakota on May 20-23.

**22. ANNUAL MEETING ITEMS.** GENERAL MANAGER SCOTT SWEENEY reviewed several items related to Fergus Electric Cooperative's Annual Meeting on June 6, 2019. Discussion followed.

**23. MEMBERS 1<sup>ST</sup>.** ASSISTANT MANAGER DAVID DOVER gave a summary of the April Members 1<sup>st</sup> board meeting at which the Members 1<sup>st</sup> board reviewed and approved the 2018 audit.

**24. NRECA BENEFITS AUDIT.** GENERAL MANAGER SCOTT SWEENEY and OFFICE MANAGER SALLY HORACEK presented a form to the Board stating that Smith, Lange and Halley, P.C. will conduct an audit of the co-op's 2018 NRECA benefits. Fergus Electric Cooperative's board's SECRETARY/TREASURER, TERRY FROST signed the form. NRECA requires an audit of the co-op's benefits every four years.

**25. CFC COOPERATIVE SYSTEM INTEGRITY FUND.** MANAGER SCOTT SWEENEY presented the Cooperative System Integrity Fund Participation Authorization Form from CFC for fiscal year 2020. The Integrity Fund uses CFC patronage capital to support systems across the network in resisting threats to their service territories. After discussion, the Board agreed to PRESIDENT EVANS signing the form permitting CFC to deduct five percent from the CFC patronage capital refund the co-op would receive in 2020. MANAGER SWEENEY recommended and the board concurred that Fergus Electric should determine the amount it will permit to have deducted on an annual basis rather than choosing to setup an automatic annual enrollment.

**26. ESTATE CAPITAL CREDITS.** The Board reviewed the April 2019 estate capital credit retirements of \$21,205.56 prepared by SUSAN HINKLEY. JASON SWANZ moved to affirm the retirements and PAUL DESCHEEMAER seconded the motion, which carried unanimously.

**27. 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.

**28. FUTURE MEETINGS.**

- a. Makeup (previously scheduled) Safety Meeting, Ron Minurdi/MECA Safety Instructor: Positive Attitudes, Lockout-tagout and OSHA 1910, May 6
- b. Safety Meeting, Tina Berg/Central Montana Hearing and Audiology: Annual Hearing Test; Steve Paulson/Federated Insurance: Accident Investigation and Hazard Recognition, May 15
- c. NWPPA Annual Conference and Membership Meeting, May 19-22, Sacramento, CA
- d. Members 1<sup>st</sup> and PRECorp Board, May 21, Gillette
- e. NRECA Legislative Conference, April 28-30, Washington, D. C.
- f. FEC Board, May 30, June 27, July 25, Aug. 29 and Sep. 26 – 9 a.m.
- g. Annual Meeting, June 6, Fergus County Fairgrounds Trade Center
- h. MECA Summer Board Meeting, July 9-10, Dillon, MT
- i. FEC Board and Christmas Awards Dinner, Friday, Dec. 6, Winifred

**29. NEWS FROM THE DISTRICTS.**

**30. ADJOURNMENT.** PRESIDENT BOB EVANS adjourned the meeting at 3:00 p.m.

SECRETARY



ATTEST: PRESIDENT

