


MINUTES
GENERAL BOARD MEETING – JULY 30, 2015
FERGUS ELECTRIC COOPERATIVE, INC.

1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative Board of Trustees met in general session July 30, 2015 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 BRAD ARNTZEN, PAUL DESCHEEMAERKER, DAVID DOVER, JASON SWANZ, and MIKE VLASTELIC. GENERAL MANAGER SCOTT SWEENEY, OFFICE MANAGER SALLY HORACEK, FINANCIAL ANALYST JANINE RIFE DIDIER and LINE SUPERINTENDENT DALE RIKALA were also present. CORPORATE COUNSEL KRIS BIRDWELL was not 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, DAVID DOVER moved to approve it. JASON SWANZ seconded the motion, which carried unanimously.
4. **APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of the June 25, 2015 general meeting, MIKE VLASTELIC moved to approve them. PAUL DESCHEEMAERKER seconded the motion, which carried unanimously.
5. **CONFERENCE CALL – MIKE EASLEY OF PRECORP.** Prior to the conference call with GENERAL MANAGER MIKE EASLEY of Powder River Energy Corporation, MANAGER SWEENEY updated the Board on the Basin Electric Power Cooperative Manager Advisory Committee meeting that took place in Deadwood, S.D. July 27-28 where power supply issues were discussed. Then, the Board participated in the conference call with GENERAL MANAGER EASLEY. The discussion covered Fergus and Tongue River Electric Cooperatives receiving their future power supply through PRECorp and Basin Electric Power Cooperative.
6. **SOUTHERN BOARD – JULY 29, 2015.** DAVID DOVER, JASON SWANZ and SCOTT SWEENEY reported that discussion covered the Highwood Generating Station and WAPA joining the Southwest Power Pool. They also noted that the secured creditor's payoff obligation will be satisfied approximately September 2016.
7. **SME BOARD MEETING – JULY 29, 2015.** DAVID DOVER, TERRY FROST and SCOTT SWEENEY reported that the SME Board is working toward getting the land sold that surrounds the Highwood Generating Station. Bid opening is set for October 8, 2015.
8. **BEARTOOTH SEPARATION AGREEMENT.** Discussion covered Beartooth leaving Southern Montana which, followed with DAVID DOVER moving to approve the Beartooth separation agreement subject to approval by the attorneys. MIKE VLASTELIC seconded the motion, which carried unanimously.
9. **RESOLUTION REQUESTING CAPITAL CREDIT RETIREMENT DUE TO FAILED COVERAGE RATIOS.** After discussion, PAUL DESCHEEMAERKER moved to approve the board resolution requesting RUS authorization of the retirement of an approximate \$420,000 capital credit distribution for 2015, as requested by RUS. BRAD ARNTZEN seconded the motion, which carried unanimously. A copy is attached.
10. **RESOLUTION REQUESTING LOAN AND RELEASE OF INFORMATION.** After discussion, DAVID DOVER moved to approve the board resolution requesting a RUS guaranteed Federal Financing Bank (FFB) loan for \$10,000,000 to be used in accordance with the provision of 7 CFR Part 1710 to finance the electric facilities as shown on current RUS Form 740c. MIKE VLASTELIC seconded the motion, which passed unanimously. A copy is attached.

11. **RESOLUTION APPROVING TEN-YEAR FINANCIAL FORECAST.** After discussion, TERRY FROST moved to approve a ten-year financial forecast (2015-2024) to be included with the AC8 loan application. JASON SWANZ seconded the motion, which carried unanimously. A copy is attached.
12. **APPROVAL OF RUS AC8 LOAN.** After discussion, MIKE VLASTELIC moved to approve the RUS AC8 loan application with supporting documentation. BRAD ARNTZEN seconded the motion which, carried unanimously.
13. **BOARD POLICIES 101 AND 102 REVIEWED.** The Board reviewed Policy 101.0 – Mission Statement, Statement of Ideals and Statement of Objectives and Policy 102.0 – Function of the Board of Trustees. As there were no changes, DAVID DOVER moved to approve Policies 101.0 and 102.0 as written. TERRY FROST seconded the motion, which carried unanimously.
14. **BOARD STRATEGIC THINKING AND PLANNING.** Discussion covered possible dates in November or December for the Board to hold a strategic thinking and planning session
15. **FINANCIAL AND OTHER MONTHLY REPORTS.** GENERAL MANAGER SCOTT SWEENEY presented financial and other monthly reports to the Board for discussion. Included in the items seen were the June operating report prepared by OFFICE MANAGER SALLY HORACEK, and the June analysis of operating statistics prepared by FINANCIAL ANALYST JANINE RIFE DIDIER.
16. **OPERATIONS REPORT.** LINE SUPERINTENDENT DALE RIKALA reported that, to date, 36 new meters have been installed, 212 new poles have been added with 170 retired of which 164 were junked. The July safety meeting consisted of a wellness presentation on the benefits of stretching by CMMC personnel, and discussion on collection/disconnects safety with guest speaker FERGUS COUNTY SHERIFF TROY EADES.
17. **APPROVAL OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 565-565X for \$76,367.72 and 565-565X(A) for \$12,219.52 ending June 30, 2015, TERRY FROST moved to approve them. PAUL DESCHEEMAER seconded the motion which, carried unanimously.
18. **MECA BOARD MEETING.** Fergus Electric's delegate MIKE VLASTELIC reported on the MECA Board meeting that took place in Missoula July 7 – 8. VLASTELIC reported that the tour of the airport and jet facility was most interesting. He also noted that MECA's work during the 2015 Montana Legislative Session will save the co-ops millions of dollars.
19. **ESTATE CAPITAL CREDIT RETIREMENTS.** The Board reviewed the July 2015 estate capital credit retirements of \$8,044.54 prepared by SUSAN HINKLEY. TERRY FROST moved to affirm the retirements and MIKE VLASTELIC seconded the motion which, passed unanimously.
20. **SECOND QUARTER WRITE-OFFS.** DAVID DOVER moved to approve a write off of \$559.59 in bad debt and to continue with collection procedures as outlined in Board Policy. BRAD ARNTZEN seconded the motion which carried.
21. **REMODEL OF FRONT DESK AREA.** MANAGER SWEENEY discussed remodeling of the front desk area with the Board
22. **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.
23. **REGION 9 VOTING DELEGATE.** JASON SWANZ moved to appoint PAUL DESCHEEMAER as voting delegate and BOB EVANS as alternate delegate to the NRECA Region 9 meeting September 30 in Salt Lake City, Utah. MIKE VLASTELIC seconded the motion which, carried unanimously.

24. **SIGNAL PEAK, LLC AND EXPRESS PIPELINE.** In June, the combined load factor for the 50kV and 100kV Signal peak substations was 49.9% and Express Pipeline had a combined load factor of 46.4%.
25. **FUTURE MEETINGS.**
- a. NWPPA Power Supply Workshop, Vancouver, Aug. 3-4
 - b. PRECorp Board, Gillette, Aug. 18 – Mike & Brad
 - c. PRECorp Annual Meeting, Newcastle, Aug 22 – Mike
 - d. Southern Board, Billings – Aug. 26, Sept. 30, Oct. 21
 - e. SME Board, Billings – Aug. 26, Sept. 30, Oct. 21
 - f. FEC Board, Aug. 27, Sept. 24, Oct. 29, Dec. 4 (Nov. meeting)
 - g. Safety: Safety vs Risk; ATV & Snowmobiles & Hypothermia; Safety Meetings & Work Habits – Sept. 9
 - h. Safety: Insurance, Retirement & Investment Update, Mike Staff/NRECA, Sept. 16
 - i. NRECA Region 9, Salt Lake City, Sept. 28 – Oct. 1
 - j. NRECA Course 914.1 – Cooperative Communications and Public Opinion: The Director's Perspective, Oct. 5
 - k. MECA Annual and Today's Member Program, Great Falls, Oct. 5 – 8
26. **NEWS FROM THE DISTRICTS.**
27. **ADJOURN.** PRESIDENT BOB EVANS adjourned the meeting at 3 p.m..


Secretary

Attest:

President

