

**MINUTES
GENERAL BOARD MEETING, MAY 30, 2019
FERGUS ELECTRIC COOPERATIVE, INC.**

- 1. GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session May 30, 2019 with PRESIDENT BOB EVANS calling the meeting to order at 9:00 a.m. JANINE RIFE DIDIER was scrivener. Board members in attendance were BRAD ARNTZEN, PAUL DESCHEEMAEKER, 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, BRAD ARNTZEN moved to approve it. JASON SWANZ seconded the motion, which carried unanimously.
- 3. APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of the April 25, 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. ANNUAL MEETING.** The board reviewed the annual meeting schedule.
- 6. TRANSMISSION LINE UPDATE.** GENERAL MANAGER SCOTT SWEENEY and LINE SUPERINTENDENT DALE RIKALA reported that the project engineer requested Rocky Mountain Contractors return to clean up several items including re-tamping poles on the south end of the project that have voids next to the pole due to dirt settling.
- 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. SERVER PURCHASE APPROVAL.** GENERAL MANAGER SCOTT SWEENEY reviewed the proposal for purchasing a new server to replace the existing server, which was purchased in 2011 and due to be replaced. The new server will primarily be used as part of our metering communication system with ITRON but will improve network performance as well. After a period of discussion, BRAD ARNTZEN moved to approve the purchase of a new server. JASON SWANZ seconded the motion, which carried unanimously.
- 9. TRUCK GARAGE.** LINE SUPERINTENDENT DALE RIKALA reported that the Department of Environmental Quality (DEQ) is requiring an evaporation pond. RIKALA said he has requested a cost estimate for this additional work from Birdwell Builders.
- 10. SANDFIRE RESOURCES COPPER MINE.** GENERAL MANAGER SCOTT SWEENEY and ASSISTANT MANAGER DAVID DOVER reported that Fergus Electric will be requesting Basin Electric to have NorthWestern Energy start the System Impact Study.
- 11. COOPERATIVE SOLAR – PHASE 2.** GENERAL MANAGER SCOTT SWEENEY and ASSISTANT MANAGER DAVID DOVER reviewed the estimated design/build fees proposal that ORION THORNTON, owner of Onsite Energy put together comparing the cost of constructing a tilt up solar array and a flush mount solar array. The board also reviewed a cost comparison worksheet prepared by STAKING ENGINEER MELANIE FORAN. Discussion followed.



- 12. SPECIAL EQUIPMENT CAPITALIZATION APPROVED.** After reviewing Special Equipment Capitalization summary reports for \$308,055.20 beginning January 2017 and ending April 2019, PAUL DESCHEEMAERKER moved to approve them. TERRY FROST seconded the motion, which carried unanimously.
- 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 April 30, 2019 operating report and FINANCIAL ANALYST JANINE RIFE DIDIER presented the April 30, 2019 ratios report. PAUL DESCHEEMAERKER moved to approve the April 2019 financials. TERRY FROST seconded the motion, which carried unanimously.
- 14. POWER OUTAGE REPORT.** GENERAL MANAGER SWEENEY and the Board reviewed a report prepared by JANINE RIFE DIDIER covering power interruptions for January-April 2019.
- 15. OPERATIONS REPORT.** LINE SUPERINTENDENT DALE RIKALA reported that the Roundup crews have been cutting trees and looking for blinking light issues south and east of Roundup. A Lewistown crew is testing poles west of Lewistown. Altec is providing in-service training May 30th for Lewistown's new bucket truck. RIKALA reported that eight applicants will be interviewed for the lineman/apprentice lineman positions. The crews will practice pole top rescue/bucket truck rescue, mayday protocol and perform ladder inspections during the June 13 safety meeting.
- 16. BOARD POLICIES 601, 602 AND 214.** After a brief discussion, it was decided that the board policies pertaining to Line Extensions - (601) General and (602) Subdivisions would be brought before the board next month for review and approval. CORPORATE COUNSEL KRIS BIRDWELL recommended that the board review Board Policy 214 - Interconnection of Cogenerators separately, and the board agreed.
- 17. REPORT OF CORPORATE COUNSEL.** CORPORATE COUNSEL KRIS BIRDWELL reviewed items of importance to the cooperative.
- 18. NWPPA ANNUAL CONFERENCE AND LEGISLATIVE MEETING.** GENERAL MANAGER SCOTT SWEENEY reported on the NWPPA meeting in Sacramento, California he attended in May. Two key topics covered at the meeting were change and the future of electric cars. SWEENEY said that the meetings were informative and beneficial.
- 19. VOLTAGE STUDIES.** GENERAL MANAGER SCOTT SWEENEY reported that the co-op would like to use Electrical Consultants, Inc. (ECI) to conduct several voltage studies. The Board consented to having ECI conduct the voltage studies.
- 20. TOUCHSTONE ENERGY KEY ACCOUNTS TRAINING COURSE.** ASSISTANT MANAGER DAVID DOVER reported that he appreciated being able to attend the Key Accounts training course in Bismarck, North Dakota from May 20-23 as he learned from both the instructor and the attendees who work with key accounts full time at their cooperatives.
- 21. NRECA LEGISLATIVE CONFERENCE.** PAUL DESCHEEMAERKER and ASSISTANT MANAGER DAVID DOVER reported on being in Washington, D. C. for the NRECA Legislative Conference. During the trip, they met with representatives from NRECA, Montana, North Dakota and Wyoming to get an update from the US Air Force on their 10-year plan to upgrade the missile system. They spoke with aides representing the air force and learned that the USAF prefers underground powerlines to overhead. DESCHEEMAERKER and DOVER also met with aides of Montana Congressman Greg Gianforte and Senators Steve Daines and Jon Tester.
- 22. MEMBERS 1ST.** PAUL DESCHEEMAERKER gave a summary of the May Members 1st board meeting at which the Members 1st board discussed strategic planning and rates.

23. SAFETY MEETINGS. LINE SUPERINTENDENT DALE RIKALA reported that on May 6, RON MINURDI/MECA SAFETY INSTRUCTOR gave a presentation on positive attitude and reviewed lockout/tagout procedures, and on May 15, TINA BERG/AUDIOLOGIST conducted the employees' annual hearing tests at her office, after which STEVE PAULSON/FEDERATED INSURANCE covered hazard recognition and accident investigations at the co-op. RIKALA noted that RYAN HALL/MECA COMMUNICATION DIRECTOR will give a presentation on media relations training during the July 17 safety meeting.

24. LINE SUPERINTENDENT'S MEETING. LINE SUPERINTENDENT DALE RIKALA gave a brief overview of the meeting held at the Yogo Inn on May 7-8. RIKALA noted that zero contact was discussed as nationwide there have been more contacts in 2019. A brief discussion followed.

25. OFFICE MANAGER'S MEETING. OFFICE MANAGER SALLY HORACEK reported that a few cooperatives have opted to lease digger and bucket trucks instead of purchasing them. A brief discussion followed.

26. SAFETY AND LOSS PREVENTION ASSESSMENTS, MAY 14-15, 2019. The Board reviewed a letter dated May 23, 2019 from STEVE PAULSON, FEDERATED RURAL ELECTRIC INSURANCE EXCHANGE SAFETY AND LOSS PREVENTION CONSULTANT assessing his recent visit to Fergus Electric. To summarize, PAULSON stated that Fergus Electric Cooperative has established programs for safety and loss prevention and these programs address issues that are of concern to Federated. On behalf of Federated, PAULSON thanked the employees for all the hard work that has been done to keep claims low. A brief discussion followed.

27. ESTATE CAPITAL CREDITS. The Board reviewed the May 2019 estate capital credit retirements of \$27,850.80 prepared by SUSAN HINKLEY. BRETT MAXWELL moved to affirm the retirements and JASON SWANZ seconded the motion, which carried unanimously.

28. 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.

29. BAD DEBT WRITE OFFS. At the April 25, 2019 General Board Meeting, the Board moved to accept Board Policy 220.0 Allocating, Voting and Retiring Capital Credits, as presented. (i.e., Board Policy 220.0, Section XVI, Offsetting Bad Debts.) In addition, during that board meeting, the Board moved to approve the discount rate for write-offs for 2018. At the May 30, 2019 General Board Meeting, OFFICE MANAGER SALLY HORACEK presented the bad debts for the fourth quarter of 2017, which were originally approved to be written off during the January 31, 2018 General Board Meeting, but were set aside and held instead, due to a policy change that was scheduled. Likewise, write offs for each quarter of 2018 were held until changes to Board Policy 220.0 were completed. After a period of discussion, JASON SWANZ moved to approve writing off \$2,860.70 in bad debt for the fourth quarter of 2017 and all of 2018 and to continue with collection procedures as outlined in Board Policy. PAUL DESCHEEMAERKER seconded the motion, which carried unanimously.

30. FUTURE MEETINGS.

- a. FEC Board, June 27, July 25, Aug. 29 and Sep. 26 - 9 a.m.
- b. Annual Meeting, June 6, Fergus County Fairgrounds Trade Center
- c. BLC 964.1: Communicating the New Energy Landscape, July 8, Dillon, MT
- d. MECA Summer Board Meeting, July 9-10, Dillon, MT
- e. Safety Meeting, LaMona Berry/Aflac; FEC Staff: Metering Update; Ryan Hall/MECA: Media Relations Training, July 17
- f. FEC Board and Christmas Awards Dinner, Friday, Dec. 6, Winifred

31. NEWS FROM THE DISTRICTS.

32. ADJOURNMENT. PRESIDENT BOB EVANS adjourned the meeting at 2:25 p.m.

SECRETARY  ATTEST: PRESIDENT 