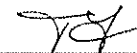


**GENERAL BOARD MEETING MINUTES  
DECEMBER 2, 2016  
FERGUS ELECTRIC COOPERATIVE, INC.**

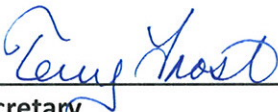
1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative Board of Trustees met in general session October 28, 2016 with PRESIDENT BOB EVANS calling the meeting to order at 9 a.m. VANGIE McCONNELL was scrivener. Other board members present were BRAD ARNTZEN, PAUL DESCHEEMAEKER, DAVID DOVER, TERRY FROST, JASON SWANZ and MIKE VLASTELIC. GENERAL MANAGER SCOTT SWEENEY, LINE SUPERINTENDENT DALE RIKALA, OFFICE MANAGER SALLY HORACEK, FINANCIAL ANALYST JANINE RIFE DIDIER and CORPORATE COUNSEL KRIS BIRDWELL were also present. The Pledge of Allegiance was recited.
2. **APPROVAL OF AGENDA.** After reviewing the meeting agenda, MIKE VLASTELIC moved to approve it. BRAD ARNTZEN seconded the motion, which carried unanimously.
3. **PUBLIC COMMENT PERIOD.** The board noted the regular time for member input relative to any issue of interest or importance to them. No members appeared.
4. **APPROVAL OF MINUTES OF PREVIOUS MEETINGS.** After reviewing the minutes of the October 28, 2016 general meeting, PAUL DESCHEEMAEKER moved to approve them. JASON SWANZ seconded the motion, which carried unanimously.
5. **BASIN ANNUAL MEETING.** Basin's annual meeting took place in Bismarck November 8 – 10. BOB, TERRY, DAVID, JASON, BRAD and SCOTT reported a successful meeting. Fergus Electric will purchase power from Members 1<sup>st</sup> through Basin Electric. The Basin membership unanimously voted to approve Members 1<sup>st</sup> as a new G & T which gives the new G & T a board seat. Members 1<sup>st</sup> became a Class "A" member of Basin and Fergus, Tongue River and PRECorp were approved as Class "C" members. BRAD ARNTZEN and DAVID DOVER toured the Antelope Valley Station and The Coteau Properties Company's Freedom Mine and BOB EVANS toured Basin Electric's headquarters which included a preview of an addition to the current structure. Both tours were very interesting.
6. **BASIN VIDEO.** The Board complimented PRESIDENT EVANS on his professional presence in a video prepared by Basin Electric with Tongue River, Mid-Yellowstone and Members 1<sup>st</sup> representatives participating as well.
7. **COMMUNITY SOLAR DISCUSSION.** FINANCIAL ANALYST JANINE RIFE DIDIER reviewed an informational article she had written for *Fergus Features* in the *Rural Montana* magazine covering how Fergus Electric's community solar project will work, what the advantages are and who pays. The article was written to help answer questions that had been posed by the members.
8. **MEMBERS 1<sup>ST</sup> AND PRECORP BOARD.** MIKE VLASTELIC and MANAGER SWEENEY reported on the November 14 and 15 meetings that took place in Gillette, Wyoming. VLASTELIC noted that a number of documents were approved and signed regarding Members 1<sup>st</sup>. Discussion covered hiring an attorney for the Members 1<sup>st</sup> Power Cooperative. Several suggestions were discussed. Discussion also covered operating costs and startup costs for Members 1<sup>st</sup>.



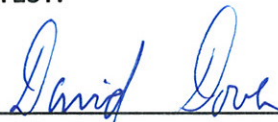
9. **RESOLUTION TO CANCEL CONTRACT BETWEEN FERGUS AND PRECORP.** After discussion, PAUL DESCHEEMAER moved to sign a resolution canceling a contract between Fergus Electric and PRECorp. Fergus will be getting a power supply from Members 1<sup>st</sup> after Jan.1, 2017. BRAD ARNTZEN seconded the motion, which carried unanimously. A copy is attached.
10. **SOUTHERN BOARD.** DAVID DOVER, JASON SWANZ and SCOTT SWEENEY reported on the proceedings of the Southern Board meeting that took place November 17 in Billings.
11. **BOARD POLICY 213.0 – EQUITY MANAGEMENT.** After amending Equity Management, PAUL DESCHEEMAER moved to approve new language, while MIKE VLASTELIC seconded the motion. The motion carried unanimously and a copy is attached.
12. **BOARD POLICY 214.0 – INTERCONNECTION OF COGENERATORS.** After reviewing Board Policy 214.0 – Interconnection of Cogenerators, the Board of Trustees agreed to present it for approval at the next general meeting.
13. **BOARD POLICY 249.0 – PARENTAL LEAVE.** After a review of the new policy, DAVID DOVER moved to approve it as written. JASON SWANZ seconded the motion, which carried. A copy is attached.
14. **BOARD POLICY 250.0 – LUCK OF THE DRAW.** After reviewing the new policy, PAUL DESCHEEMAER moved to approve it as written and TERRY FROST seconded the motion, which carried unanimously. A copy is attached.
15. **LINEMAN SCHOLARSHIP.** JANINE RIFE DIDIER reviewed procedures to be implemented regarding the \$6,000.00 scholarship for applicants desiring a career as a lineman. MIKE VLASTELIC moved to approve the application process. BRAD ARNTZEN seconded the motion, which carried unanimously.
16. **FINANCIAL AND OTHER MONTHLY REPORTS.** Staff presented financial and other monthly reports to the Board for discussion. Included in the items seen were the October 2016 operating report presented by OFFICE MANAGER SALLY HORACEK and the October 2016 analysis of operating statistics presented by FINANCIAL ANALYST JANINE RIFE DIDIER.
17. **OPERATIONS REPORT.** LINE SUPERINTENDENT DALE RIKALA reported that, to date, 66 new meters have been installed; 400 new poles were added with 378 being retired of which 372 were junked. This compares to 65 new meters and 336 junk poles in November of 2015. At the November 1 safety meeting NRECA Field Representative Mike Stiff reviewed the High Deductible Insurance Plan being offered for 2017. BECKIE FREDIANI with MECA presented a power point on what electric cooperatives provide and what principles they stand for.
18. **INVENTORY OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 581-581X for \$209,576.13 and 581-581X (A) for \$1,213.97, TERRY FROST moved to approve them. JASON SWANZ seconded the motion, which carried unanimously.
19. **SIGNAL PEAK, LLC/ EXPRESS PIPELINE.** MANAGER SWEENEY noted that the combined load factor for the 50Kv and 100Kv signal Peak Sub was 46.7%. Express Pipeline had a combined load factor of 57.4%

- 20. FERGUS ELECTRIC NEW MISSION STATEMENT – BOARD POLICY 101.** A new mission statement was drafted by the Board of Trustees at a strategic planning session. The new language reads in part: *The Mission of Fergus Electric Cooperative is to provide reliable, safe, and affordable energy services to the communities we serve.* A copy of the complete mission statement is attached. MIKE VLASTELIC moved to approve the new language. DAVID DOVER seconded the motion, which carried unanimously. A copy is attached.
- 21. CAPITAL CREDIT CHECKS.** OFFICE MANAGER SALLY HORACEK reported that the general capital credit checks for the balance of 1983 and 20% of 1984 were mailed on November 1. The total was \$357,238.65 and, to date, about \$200,000 have been cashed.
- 22. FEDERATED RURAL ELECTRIC INSURANCE.** OFFICE MANAGER SALLY HORACEK reviewed the liability insurance plan presented by Federated Rural Electric Insurance Exchange. HORACEK noted the premium had increased by 2%. MIKE VLASTELIC moved to approve the new rates. JASON SWANZ seconded the motion, which carried unanimously.
- 23. ESTATE CAPITAL CREDIT RETIREMENTS.** The Board reviewed the November, 2016 estate capital credit retirements of \$18,781.38 prepared by SUSAN HINKLEY. TERRY FROST moved to affirm the retirements and BRAD ARNTZEN seconded the motion, which carried unanimously.
- 24. MONTANA COUNCIL OF COOPERATIVES ANNUAL MEETING.** MANAGER SWEENEY shared information about the Council of Cooperatives annual meeting, which is set for January 10, 2017 in Helena. In conjunction with that, Co-op Day at the Capitol is set for Monday, January 9, 2017. Delegates will be named at the next general board meeting.
- 25. PROXY FOR TOUCHSTONE ENERGY COOPERATIVE ANNUAL MEETING.** After discussion, DAVID DOVER moved to appoint Basin Electric Power Cooperative as proxy for appearing and voting on behalf of Fergus Electric at the Touchstone Energy Cooperative's annual business meeting on December 15, 2016. PAUL DESCHEEMAEKER seconded the motion, which carried unanimously.
- 26. EXECUTIVE SESSION.** The Board met in an executive session at 4:20 p.m. to discuss Southern Montana and succession planning at the cooperative.
- 27. FUTURE MEETINGS.**
- a. Engineer to Work on Bids for Solar Panels, Dec. 7
  - b. Safety Meeting, First Aid, CPR, AED by Mike Davis – Dec. 15
  - c. Members 1<sup>st</sup> Board, Sheridan, Dec. 19
  - d. PreCorp Board, Sheridan, Dec. 19 & 20
  - e. Christmas Dinner, Pine Meadows, Dec. 2, 5:30 p.m.
  - f. MECA Board and Holiday Banquet, Dec. 13 – 14
  - g. Safety Meeting, CPR, First Aid and AED, Dec. 15, 10 a.m.
  - h. Fergus Board, Dec. 21 – 10 a.m., Jan. 26, Feb. 23, Mar. 30, Apr. 27, May 25
- 28. NEWS FROM THE DISTRICTS.** Each board member shared items of interest from their district.

29. **ADJOURN.** PRESIDENT EVANS adjourned the meeting at 5 p.m.

  
\_\_\_\_\_  
Secretary

ATTEST:

  
\_\_\_\_\_  
President