

**GENERAL BOARD MEETING MINUTES – OCTOBER 28, 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 DESCHEEMAER, 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. **APPROVAL OF MINUTES OF PREVIOUS MEETINGS.** After reviewing the minutes of the September 30, 2016 general meeting, PAUL DESCHEEMAER moved to approve them. JASON SWANZ 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 members appeared.
5. **COMMUNITY SOLAR DISCUSSION.** MANAGER SCOTT SWEENEY reported that he and other staff met with ORION THORNTON of Onsite Energy, Inc. regarding a location for a community solar array. He noted that the next step will be to hire an engineer to design the solar array, etc. After procuring a plan, bids will be solicited. Discussion also covered various ways to effectively reach out to co-op members regarding community solar. SWEENEY also noted that USB monies are available for community solar.
6. **UNIVERSAL SYSTEMS BENEFIT PLAN.** OFFICE MANAGER SALLY HORACEK reviewed funding for USB energy assistance. Fergus Electric contributes \$22,000 each year for energy assistance.
7. **PRECORP BOARD.** MIKE VLASTELIC reported on the October 18 board meeting that took place in Sundance, Wyoming. VLASTELIC noted that 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>.
8. **SOUTHERN BOARD.** DAVID DOVER, JASON SWANZ and SCOTT SWEENEY reported on the proceedings of the Southern Board meeting that took place October 19 in Billings.
9. **BOARD POLICIES 213.0 AND 214.0.** After amending Equity Management and Interconnection of Cogenerators' policies, the Board will review both at the next general meeting for final approval.
10. **BOARD POLICY 216.0.** After a review of the policy on Communications, MIKE VLASTELIC moved to approve it as written. JASON SWANZ seconded the motion which carried.
11. **EXECUTIVE SESSION.** The Board called an executive session to discuss Southern Montana issues and succession planning at Fergus Electric.

12. **NEW POLICIES.** Two new board policies Parental Leave, and Luck of the Draw Guidelines were reviewed by the Board. The amended policies will be presented for action at the next general meeting.
13. **FINANCIAL AND OTHER MONTHLY REPORTS.** Staff presented financial and other monthly reports to the Board for discussion. Included in the items seen were the September 2016 operating report presented by OFFICE MANAGER SALLY HORACEK and the September analysis of operating statistics presented by FINANCIAL ANALYST JANINE RIFE DIDIER.
14. **OPERATIONS REPORT.** LINE SUPERINTENDENT DALE RIKALA reported that, to date, 56 new meters have been installed; 322 new poles were added with 297 being retired of which 291 were junked. This compares to 54 new meters and 267 junk poles in October of 2015. At the October 19 safety meeting, BENEFITS ADMINISTRATOR VANGIE McCONNELL reviewed voter registration, prescription disposal and health newsletters available to the employees. TROY BIFULCO with PRECorp followed with a power point covering Cybersecurity. After lunch, TODD SOLOMON from Hill County Electric demonstrated a Resistograph pole testing device.
15. **INVENTORY OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 580-580X for \$55,562.56 and 580-580X (A) with a 0 balance, DAVID DOVER moved to approve them. PAUL DESCHEEMAERKER seconded the motion, which carried unanimously.
16. **AUDIT AGREEMENT.** After reviewing the Audit Agreement and Engagement Letter from Smith, Lange & Halley, PC, PAUL DESCHEEMAERKER moved to approve the contract for the years ending December 31, 2016, 2017, and 2018. BRAD ARNTZEN seconded the motion, which passed unanimously.
17. **SIGNAL PEAK, LLC AND EXPRESS PIPELINE.** MANAGER SWEENEY noted that the combined load factor for the 50Kv and 100Kv Signal Peak substation was 49.2%. TERRY FROST reported that the mine would cease production for 23 days in January to move the long wall miner. Express Pipeline had a combined load factor of 59.4%.
18. **LINEMAN'S SCHOLARSHIP.** After discussion, DAVID DOVER moved to implement a \$6,000 scholarship for a student who plans to attend a lineman school, and also agrees to apply for summer work at the co-op. BRAD ARNTZEN seconded the motion, which carried unanimously. VANGIE McCONNELL will create a scholarship application to be advertised on Fergus Electric's webpage and Facebook page, as well as in the member newsletter *Fergus Features*.
19. **NRECA ACCELERATED FUNDING PAYMENT.** MANAGER SWEENEY presented an Accelerated Funding Payment Plan for the NRECA Retirement Security Plan. Upon payment of the proposed amount, the RS Plan database will be updated to reflect the applicable adjusted billing rate. The new amount will be less than past billing. After discussion, JASON SWANZ moved to approve the Accelerated Funding Payment. PAUL DESCHEEMAERKER seconded the motion, which carried unanimously.
20. **NEW ENGINEER'S TRUCK.** MANAGER SWEENEY reported that the Chevy ½ ton truck used by the engineers has high mileage and is running poorly. SWEENEY recommended that the Board approve the purchase of the low bid on a new ¾ ton pickup for the engineers. After discussion, DAVID DOVER moved to approve the purchase. BRAD ARNTZEN seconded the motion, which carried unanimously.



21. **ENGINEER HIRED.** MANAGER SWEENEY announced that on November 28 MELANIE FORAN will begin work as a staking engineer. MELANIE, a Judith Gap native is a civil engineer. FORAN was hired to fill the gap MONTE OBERT will create when he becomes a part-time employee beginning January 1, 2017.

22. **NRECA REGION 7 & 9 MEETING.** Representing Fergus Electric, MIKE VLASTELIC attended the NRECA Region 7 & 9 meeting in Reno. While there he also took the Director Course 919.1 – Cooperative Structure: A Strategic Advantage. He reported that the presenters were knowledgeable and that he learned a lot.

23. **ESTATE CAPITAL CREDIT RETIREMENTS.** The Board reviewed the October, 2016 estate capital credit retirements of \$15,038.36 prepared by SUSAN HINKLEY. MIKE VLASTELIC moved to affirm the retirements and TERRY FROST seconded the motion, which carried unanimously.

24. **THIRD QUARTER WRITE-OFFS.** PAUL DESCHEEMAER moved to approve writing off \$319.07 in bad debt and to continue with collection procedures as outlined in Board Policy. MIKE VLASTELIC seconded the motion, which carried unanimously.

25. **NRECA CREDENTIALLED COOPERATIVE DIRECTOR.** BRAD ARNTZEN reported that he had successfully completed two NRECA CCD courses in Billings October 12 – 14; #2620 Board Operations and Process and #2640 – Financial Decision becoming an NRECA Credentialed Co-op Director. He noted that the classes were very informational. Now, all seven of our directors are credentialed cooperative directors.

## 26. FUTURE MEETINGS.


- a. High Deductible Plan by Mike stiff and Member Engagement by Beckie Frediani, Nov. 1
- b. Basin Annual, Bismarck, Nov. 8 - 10
- c. Members 1<sup>st</sup> Board, Gillette, Nov. 14
- d. PreCorp Board, Gillette, Nov. 15
- e. Southern Board, Billings, Nov. 17
- f. FEC Board Succession Meeting, Nov. 21, 1 p.m.
- g. Fergus Board, Dec. 2, Dec. 21, Jan. 26
- h. Christmas Dinner, Pine Meadows, Dec. 2, 5:30 p.m.
- i. MECA Board and Holiday Banquet, Dec. 13 – 14
- j. Safety Meeting, CPR, First Aid and AED, Dec. 15, 10 a.m.
- k. Mid-West, Denver, Dec. 5 – 8

## 27. NEWS FROM THE DISTRICTS

28. **ADJOURN.** PRESIDENT EVANS adjourned the meeting at 3:30 p.m.

  
Secretary

ATTEST:

  
President

