

MINUTES
GENERAL BOARD MEETING, OCTOBER 25, 2018
FERGUS ELECTRIC COOPERATIVE, INC.

- 1. GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session October 25, 2018 with PRESIDENT BOB EVANS calling the meeting to order at 1 p.m. TERRY FROST was secretary and VANGIE McCONNELL was scrivener. Other board members present were BRAD ARNTZEN, PAUL DESCHEEMAEKER, CATHY KOMBOL, BRETT MAXWELL and JASON SWANZ. GENERAL MANAGER SCOTT SWEENEY, ASSISTANT GENERAL MANAGER DAVID DOVER, CORPORATE COUNSEL KRIS BIRDWELL, LINE SUPERINTENDENT DALE RIKALA, OFFICE MANAGER SALLY HORACEK and FINANCIAL ANALYST JANINE RIFE DIDIER were also present.
- 2. BOARD RETREAT.** On October 24 and 25, the Board, management and key staff attended a constructive one and a half day financial strategic planning retreat with ERIC ANDERSON and AARON STALLINGS of CFC, which covered key ratio trend analysis (KRTA), budget, rates, capital credits and the co-op's overall financial condition.
- 3. 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.
- 4. APPROVAL OF AGENDA.** After reviewing the meeting agenda, TERRY FROST moved to approve it. JASON SWANZ seconded the motion, which carried unanimously.
- 5. APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of the September 28, 2018 general meeting and discussing them, PAUL DESCHEEMAEKER moved their approval. BRAD ARNTZEN seconded the motion, which carried unanimously.
- 6. POSITION DESCRIPTIONS – POLICY MANUAL.** The Board and Management discussed the inclusion of job descriptions in the Board's Policy Manual. After discussion, the consensus was to include only the General Manager's position description and the Assistant General Manager's position description in the Policy Manual. JASON SWANZ moved to include the two descriptions and PAUL DESCHEEMAEKER seconded the motion, which carried unanimously.
- 7. 50KV TRANSMISSION LINE REBUILD.** LINE SUPERINTENDENT DALE RIKALA reported that the Rocky Mountain Contractors' crews are spreading wires and setting new poles for the seven-mile Carters Pond to Hilger rebuild.
- 8. NEW METERING SYSTEM.** ASSISTANT MANAGER DAVID DOVER reported that because of a design issue, the PRECorp AMI installation timeline is delayed. A new design is expected to resolve the issue. The timeline for Fergus Electric's installations has also been delayed.
- 9. TRUCK GARAGE.** After considerable discussion, TERRY FROST moved to approve additional expenditures while not exceeding the amount approved for the garage by the membership at the June 7, 2018 annual meeting. BRAD ARNTZEN seconded the motion which carried unanimously.
- 10. 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 September 2018 operating report. HORACEK also noted that the funds awarded to Fergus Electric from the NorthWestern Energy over-charge lawsuit were received and deposited in the cooperative's bank account.
- 11. FEDERATED RURAL ELECTRIC INSURANCE EXCHANGE.** OFFICE MANAGER SALLY HORACEK reviewed the proposal for Fergus Electric's insurance coverage from Federated. After discussion, BRAD ARNTZEN moved to approve the proposal. PAUL DESCHEEMAEKER seconded the motion, which carried unanimously.

12. SERVICEMAN BUCKET TRUCK. LINE SUPERINTENDENT DALE RIKALA presented bid information for a Ford 4X4 diesel extended cab serviceman bucket truck. After discussion, PAUL DESCHEEMAEKER moved to approve the \$164,000 expenditure for the truck. BRAD ARNTZEN seconded the motion, which carried unanimously.

13. POWER OUTAGE REPORT. GENERAL MANAGER SWEENEY and the Board reviewed a report prepared by VANGIE McCONNELL covering power interruptions for January through September.

14. OPERATIONS REPORT. LINE SUPERINTENDENT DALE RIKALA reviewed the October 19, 2018 operations report covering operations and maintenance, engineering and safety. He noted that underground cable was plowed to new services in the White Sulphur Springs and Shawmut areas. Rocky Mountain Contractor crews have started work on the Carters Pond to Hilger transmission line rebuild. New jobs have been staked in the Shawmut, Roundup and Lewistown areas. MECA INSTRUCTOR JONNIE STANTON covered work ethics, winter driving and safety during his October 3 presentation. RIKALA also reported he had procured pole change-out quotes from three contractors.

15. REPORT OF CORPORATE COUNSEL. CORPORATE COUNSEL KRIS BIRDWELL reviewed items of importance to the cooperative.

16. PRECORP BOARD – SUNDANCE. PAUL DESCHEEMAEKER, DAVID DOVER and SCOTT SWEENEY participated in the October 16 PRECorp/Members 1st Board meetings via a conference call. SWEENEY noted that ADAM GRANGER will be the project manager for the AMI installation for PRECorp and Fergus Electric.

17. GENERAL CAPITAL CREDIT RETIREMENT. OFFICE MANAGER SALLY HORACEK reported that In November, a general \$1,000,000 retirement will take place for 1987, 1988, 1989 and approximately one quarter of 1990.

18. BAD DEBT WRITE-OFFS. MANAGER SWEENEY said he will visit with the co-op's auditor, CORY WHEELER, about approving write-offs, once, at the end of the year. Also, by using discounted capital credits, the amount of the write-off would be reduced.

19. MECA ANNUAL MEETING – OCTOBER 1 – 4. PAUL DESCHEEMAEKER and TERRY FROST reported on the NRECA Course – Your Board's Culture: Its Impact on Effectiveness. They agreed it was excellent. TERRY FROST and DAVID DOVER reported that guest speakers were informative. They also noted that the MECA officers did not change: President – BRENT McRAE, Vice-President – DEE DEE ISAACS and Secretary-Treasurer – LEONARD SIVUMAKI. VANGIE McCONNELL said the Today's Members delegates comprised the largest group ever – 34. MELANIE, JARED and little JAMES FORAN were Fergus Electric's representatives.

20. CREDENTIALLED COOPERATIVE DIRECTOR COURSES. CATHY KOMBOL reported that the CCD courses 2600 – Director Duties and Liabilities, 2610 – Understanding the Electric Business and 2630 – Strategic Planning are scheduled for January 22, 23 & 24 in Lewistown. ASSISTANT MANAGER DOVER agreed to welcome the group.

21. MECA STANDING COMMITTEES. Appointments to the MECA standing committees are: Audit – PAUL DESCHEEMAEKER, Communications – BRETT MAXWELL, Education and Training – SALLY HORACEK, Legislative – JASON SWANZ and DAVID DOVER, Power Supply – BOB EVANS, and Safety & Loss Control – CATHY KOMBOL.

22. ESTATE CAPITAL CREDITS. The Board reviewed the October 2018 estate capital credit retirements of \$19,875.62 prepared by SUSAN HINKLEY. BRAD ARNTZEN moved to affirm the retirements and TERRY FROST seconded the motion, which carried unanimously.

23. 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.

24. FUTURE MEETINGS.

- a. Sandfire Tour, White Sulphur, Nov. 1, 10 a.m.
- b. Management Internship Program, Madison, Wisconsin, Nov. 5-16
- c. Basin Annual, Bismarck, Nov. 6-8
- d. Safety, NRECA Managing Your Money and PIRC advisor and Flu Immunizations, Nov. 14-15
- e. FEC Board, Nov. 30 – 1 p.m., Dec. 20 – 10 a.m., Jan. 31 – 10 a.m., Feb. 28 – 10 a.m. and Mar. 28 – 10 a.m.
- f. PRECorp, Gillette, Nov. 20
- g. Christmas Dinner, Elks, Fri., Nov. 30

25. NEWS FROM THE DISTRICTS.

26. EXECUTIVE SESSION. BRAD ARNTZEN moved to go into an executive session to discuss personell. BRETT MAXWELL seconded the motion which carried unanimously.

27. EXECUTIVE SESSION. TERRY FROST moved to end the executive session and return to the general board meeting. BRAD ARNTZEN seconded the motion, which carried unanimously.

28. ADJOURNMENT. PRESIDENT BOB EVANS adjourned the meeting at 4:30 p.m.

SECRETARY _____ ATTEST: PRESIDENT _____