

**MINUTES
GENERAL BOARD MEETING
APRIL 28, 2017
FERGUS ELECTRIC COOPERATIVE, INC.**

- 1. GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session April 28, 2017 with PRESIDENT BOB EVANS calling the meeting to order at 9:05 a.m. TERRY FROST was secretary and JANINE RIFE DIDIER was scrivener. Other board members present were DAVID DOVER, JASON SWANZ, PAUL DESCHEEMAERKER, BRAD ARNTZEN and MIKE VLASTELIC. CORPORATE COUNSEL KRIS BIRDWELL, GENERAL MANAGER SCOTT SWEENEY and LINE SUPERINTENDENT DALE RIKALA were also 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, PAUL DESCHEEMAERKER moved to approve it. MIKE VLASTELIC seconded the motion, which carried unanimously.
- 4. APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of the March 30, 2017 general meeting and discussing them, DAVID DOVER moved their approval. BRAD ARNTZEN seconded the motion, which carried unanimously.
- 5. CREDIT RATING AND INVESTMENT OPTIONS.** ROLLY NELSON, Financial Advisor with Edward Jones spoke to the Board about credit rating letter designations assigned by credit rating agencies such as Moody's, Standard and Poor's and Fitch. NELSON also discussed investment options to consider.
- 6. NORTHWESTERN ENERGY AGREEMENT.** MANAGER SWEENEY reported on a conference call, April 12 with NorthWestern Energy, PRECorp and Basin regarding providing service to Tintina's Black Butte Copper Project at White Sulphur Springs. NorthWestern Energy requested Fergus Electric Cooperative sign a non-precedent agreement with NorthWestern. After discussion, MIKE VLASTELIC moved to authorize MANAGER SCOTT SWEENEY to sign the Agreement upon approval of Basin and Fergus Electric Cooperative's Corporate Counsel. PAUL DESCHEEMAERKER seconded the motion, which carried unanimously.
- 7. FERGUS ELECTRIC COOPERATIVE'S WEBSITE.** The Board discussed the information provided on the co-op's website and recommended that it be updated regularly to keep it relevant.
- 8. SCHOLARSHIPS.** MANAGER SWEENEY reported that Fergus Electric Cooperative is the recipient of a \$30,890.58 estate capital credit donation from PATRICK (LENNIE) MCDONALD and CHUCK TONNE, executors of the LEROY STRAND estate. The generous donation is to be used for scholarships. The Board expressed their gratitude and eagerness to pass on the gift. After discussion, PAUL DESCHEEMAERKER moved to increase the number of annual meeting "luck of the draw" \$1,000 scholarships from 10 to 20, award a \$2,000 scholarship in conjunction with the MECA/FERGUS scholarship, and offer a \$5,000 lineman scholarship. MIKE VLASTELIC seconded the motion, which carried unanimously.
- 9. BOARD POLICY 217.00.** After discussion, TERRY FROST moved to approve the amended Board Policy 217.00 - Personal Assistance Program. BRAD ARNTZEN seconded the motion, which carried unanimously.
- 10. BOARD POLICY 218.00.** After discussion, DAVID DOVER moved to approve the amended Board Policy 218.00 - Easements or Rights-of-Way for Transmission Lines and Associated Facilities. PAUL DESCHEEMAERKER seconded the motion, which carried unanimously.
- 11. BOARD POLICY 219.00.** After discussion, JASON SWANZ moved to approve as presented Board Policy 219.00 - Management and Use of Fergus Electric Cooperative-Owned Land. MIKE VLASTELIC seconded the motion, which carried unanimously.

12. APPROVAL OF WORK ORDERS. After reviewing Inventory of Work Orders No. 586-586X for \$33,810.93 ending March 31, 2017, TERRY FROST moved their approval. JASON SWANZ seconded the motion, which carried unanimously.

13. AFFIRMATION OF CAPITAL CREDIT ESTATE RETIREMENTS. The Board reviewed the April 2017 estate capital credit retirements for \$23,021.96 prepared by SUSAN HINKLEY. DAVID DOVER moved to affirm the retirements and PAUL DESCHEEMAER seconded the motion, which carried unanimously.

14. FINANCIAL AND OTHER MONTHLY REPORTS. GENERAL MANAGER SCOTT SWEENEY presented financial and other monthly reports to the Board for discussion. Included in the items thus seen was the March operating report prepared by OFFICE MANAGER SALLY HORACEK, and the March analysis of operating statistics, prepared by FINANCIAL ANALYST JANINE RIFE DIDIER.

15. OPERATIONS REPORT. The Board considered the April 20, 2017 report prepared by LINE SUPERINTENDENT DALE RIKALA outlining operations and maintenance, engineering and safety. RIKALA reported that in 2017, line crews have added 52 new poles and retired 49 old poles. To date, line crews have installed 12 new meters. Underground cable has been plowed at the Boy Scout Camp in the foothills of the North Moccasin Mountains. Apprentice lineman Casey Kombol was promoted to second step apprentice May 2 having passed the exam. Linemen presented a high voltage demonstration to 4H students and local contractors during April.

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

17. 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.

18. FIRST QUARTER WRITE-OFFS. JASON SWANZ moved to approve writing off \$713.69 in bad debt and to continue with collection procedures as outlined in Board Policy. MIKE VLASTELIC seconded the motion, which carried unanimously.

19. REPORT OF CORPORATE COUNSEL. CORPORATE COUNSEL KRIS BIRDWELL requested permission to work with staff on policy for Cooperative Solar, which the board readily granted.

20. BOARD CANDIDATES NOMINATED. After serving as Board Trustee for nine years, MIKE VLASTELIC has relocated to Lewistown and is not running for the board in District 4. CATHY KOMBOL served out of the Winnett Junction substation is the District 4 candidate. DAVID DOVER is the candidate from District 2.

21. EQUIPMENT AND VEHICLE STORAGE BUILDING. The Board considered several types and sizes of suitable structures to store Fergus Electric Co-op trucks and equipment which are currently parked outside year around. After a lengthy discussion, the Board of Trustees approved the following motion: Contingent upon approval of the members at the 2017 Annual Meeting, I move to construct an equipment and vehicle storage building at the Cooperative's current facility site, at a cost not to exceed eight hundred fifty thousand dollars (\$850,000.00).

22. NOTICE OF AGENDA ITEM FOR THE COOPERATIVE'S 2017 ANNUAL MEETING. CORPORATE COUNSEL KRIS BIRDWELL stated that pursuant to Section 4.15 of the Fergus Electric Cooperative Bylaws, the Board of Trustees must ask the membership to approve construction of a new truck garage at the June 8, 2017, Annual Meeting of the Members. The Agenda at the annual meeting will include a vote of the members on this issue. Notice will be provided to the membership in the form of a statement bill stuffer mailed May 5.

23. DIRECTORS COURSE 921.1 - RISK OVERSIGHT. TERRY FROST reported on the April 3 meeting in Great Falls. FROST told the Board that the meeting titled The Board's Role in Risk Management emphasized not putting key people in the same vehicle when traveling in the event of a fatal wreck.

24. MEMBERS 1ST AND PRECORP BOARDS. MIKE VLASTELIC and JANINE RIFE DIDIER attended the Sundance meetings held April 19. PRECorp's auditors reviewed 2016 financials for the Board.

25. NRECA LEGISLATIVE CONFERENCE. PAUL DESCHEEMAEKER and BRAD ARNTZEN thanked the Board for sending them to the NRECA Legislative Conference held in Washington, D.C., April 23-25. Session topics included rights of way, sage grouse, and meetings with the Bureau of Land Management, the United States Forest Service and Montana Senators Jon Tester and Steve Daines.

26. EXECUTIVE SESSION. The Board met in executive session at 4:00 p.m. to discuss a director matter. The board resumed regular session at 4:10 p.m.

27. FUTURE MEETINGS.

- a. Special Board, June 8, 9:30 a.m.
- b. FEC Annual, June 8, 11 a.m.
- c. Reorganization, June 8, Following Annual Meeting
- d. Dinner, Yogo Inn, June – Approximately 5:30 p.m.
- e. Safety – Hearing Tests and Pole Top Rescue – June 14
- f. PRECorp/Members 1st, Sheridan, June 19-20
- g. Board, June 22, July 31 (Monday)
- h. MECA Summer Board, Kalispell, July 6-7

28. NEWS FROM THE DISTRICTS. Each board member shared items of interest.

29. ADJOURN. PRESIDENT BOB EVANS adjourned the meeting at 4:15 p.m.

SECRETARY _____

ATTEST:

PRESIDENT _____

