

**GENERAL BOARD MEETING MINUTES – MARCH 30, 2017**  
**FERGUS ELECTRIC COOPERATIVE, INC.**

1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative Board of Trustees met in general session March 30, 2017 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 ADVISOR 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. PAUL DESCHEEMAER 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 MEETING.** After reviewing the minutes of the February 22, 2017 general meeting, DAVID DOVER moved to approve the minutes. BRAD ARNTZEN seconded the motion, which carried unanimously.
5. **AUDIT REVIEW – C.P.A. CORY WHEELER.** AUDITOR CORY WHEELER of Smith, Lange and Halley, P.C. reviewed the 2016 audit covering: 1) Auditor's Certification Regarding Loan Fund Expenditures, 2) Auditor's Report on Compliance, 3) Auditor's Report, 4) Auditor's Report on Compliance and Internal Control, and 5) Financial Statements.
6. **APPROVAL OF AUDIT REPORT.** After discussion, DAVID DOVER, moved to approve the 2016 Audit Report and JASON SWANZ seconded the motion, which passed unanimously.
7. **TINTINA COPPER MINE.** MANAGER SWEENEY, LINE SUPERINTENDENT DALE RIKALA, and STAKING ENGINEERS GUY JOHNSON and MELANIE FORAN met with Tintina representatives in White Sulphur Springs March 1. The next mine tour is set for April 1 and SWEENEY encouraged Board and employees to take advantage of the tours. SWEENEY also noted that it is important to keep working hard to show Tintina that the co-op is committed to their project.
8. **MEMBERS 1<sup>ST</sup> AND PRECORP BOARDS.** MIKE VLASTELIC and SCOTT SWEENEY attended the Sheridan meetings March 20. After their report which included discussion on Basin Electric, it was decided to invite Basin personnel to a Fergus Board meeting to give an overview of their services.
9. **CAPITAL CREDITS CHECKS.** Of the general capital credit checks mailed the end of October 2016, to date, a total of \$285,000 have cleared the bank and checks for \$72,000 are still outstanding. MANAGER SWEENEY noted that, generally, the co-op waits seven months for the checks to clear. The remaining outstanding balance will be contributed to the scholarship fund.
10. **CORPORATE COUNSEL'S REPORT.** CORPORATE COUNSEL KRIS BIRDWELL reported, that among other issues, he had worked with SUSAN HINKLEY on capital credits.

11. **MEMBERS 1ST AND PRECORP BOARD.** LINE SUPERINTENDENT DALE RIKALA and MANAGER SWEENEY reported on the February 21<sup>st</sup> PRECorp board meeting in Gillette. MIKE VLASTELIC, who had participated in the Members 1st meeting via a conference call, gave his report.
12. **SOUTHERN MONTANA.** DAVID DOVER reported briefly on Southern. He noted that ACCOUNTANT CARRIE BOYSUN will continue working until Southern is dissolved.
13. **2017 BUDGET.** After a thorough review, DAVID DOVER moved to approve the co-op budget for 2017. JASON SWANZ seconded the motion, which carried unanimously.
14. **CFC PAYMENT.** After discussion, MIKE VLASTELIC moved to pay the unsecured loan, number 9004-001 of \$1,738,844.59 to CFC. BRAD ARNTZEN seconded the motion, which carried unanimously.
15. **FINANCIAL AND OTHER MONTHLY REPORTS.** Staff presented financial and other monthly reports to the Board for discussion. Included were the February operating report presented by OFFICE MANAGER SALLY HORACEK and the analysis of operating statistics presented by FINANCIAL ANALYST JANINE RIFE DIDIER.
16. **THINK ONE CONSTRUCTION MANAGEMENT (CO-OP SOLAR).** RUSTY HARRIS of Think One Construction Management discussed solar panels/solar arrays with the Board and Management. The Board agreed to solicit bids in April for two options; 71kW (216 panels) and 107kW (324 panels).
17. **OPERATIONS REPORT.** LINE SUPERINTENDENT DALE RIKALA reported that, to date, five new meters have been installed. Twenty-five new poles were added and 29 were retired of which 23 were junked. This compares to six new meters and 51 junk poles in March of 2016. The safety meeting, hosted in-house, covered the high voltage safety demonstration trailer and cable fault locators. BENEFITS ADMINISTRATOR VANGIE McCONNELL gave a brief review on the High Deductible Prescription Plan.
18. **INVENTORY OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 585-585X for \$6,235.24 dated February 28, 2017, BRAD ARNTZEN moved to approve them. MIKE VLASTELIC seconded the motion, which carried unanimously.
19. **YEAR-END FORM 7 FOR 2016.** OFFICE MANAGER SALLY HORACEK reviewed the RUS Year-end Form 7 for 2016. In addition to RUS, this form is sent to CFC and Co-Bank.
20. **BOARD POLICY 222.0.** After discussion, DAVID DOVER moved to approve the amended Board Policy 222.0 – Sale of Material, Service Equipment, and Services to Members. BRAD ARNTZEN seconded the motion, which carried unanimously. A copy is attached.
21. **BOARD POLICY 248.** After discussion, PAUL DESCHEEMAERKER moved to approve the amended Board Policy 248.0 – Procurement Conflict of Interest. MIKE VLASTELIC seconded the motion, which carried unanimously. A copy is attached.

- 22. ANNUAL MEETING DISCUSSION.** The Board and Staff discussed plans for the June 8, 2017 Annual Meeting. INCUMBENT DAVID DOVER of Buffalo will be on the ballot as trustee for District 2 and CANDIDATE CATHY KOMBOL of Roundup will be on the ballot for District 4.
- 23. NEW LINEMAN TO BE HIRED.** MANAGER SWEENEY reported that interviews will take place for hiring an additional lineman.
- 24. SUMMER ENGINEER.** MANAGER SWEENEY noted that SCOTT OLSON, a sophomore at Montana Tech studying electrical engineering, has been hired as a summer engineer. He will start work May 15.
- 25. ESTATE CAPITAL CREDIT RETIREMENTS.** The Board reviewed the March 2017 estate capital credit retirements of \$21,065.59 prepared by SUSAN HINKLEY. MIKE VLASTELIC moved to affirm the retirements and BRAD ARNTZEN seconded the motion, which carried unanimously.
- 26. SIGNAL PEAK, LLC AND EXPRESS PIPELINE.** MANAGER SWEENEY noted that the combined load factor for the 50Kv and 100Kv SIGNAL Peak sub was 38.2%. Express Pipeline had a combined load factor of 80.0% for the month.
- 27. NRECA ANNUAL MEETING.** TERRY FROST reported on the February 23 – March 1 meeting in San Diego. FROST reported that the meeting was informative with excellent speakers. He also attended NRECA's Director Course 903.1 - The Role of the Board Chair in Conducting Effective Meetings.
- 28. NWPPA VOTING DELEGATE.** MIKE VLASTELIC moved to appoint BOB EVANS as Fergus Electric's voting delegate to the NWPPA Annual Conference/Annual Meeting at the Sunriver Resort, Oregon set for May 7-10. PAUL DESCHEEMAERKER seconded the motion, which carried unanimously.
- 29. DELINQUENT ACCOUNTS AND NEW MEMBER LIST.** The Board reviewed the delinquent accounts showing those that were paid and those that were still owing. A list of new members was reviewed.
- 30. FUTURE MEETINGS.**
- a. Directors Course 921.1 – Risk Oversight: The Board's Role in Risk Management, Great Falls, 4/3/2017 – Terry
  - b. MECA Spring Board Meeting, Great Falls, 04/4-5/2017
  - c. Safety Meeting, 4/13/2017, Hazardous Energy Control; Lockout/Tagout; OSHA 1910.269 – Gordon McConkey
  - d. Members 1<sup>st</sup> and PRECorp, 4/19/2017, Sundance
  - e. NRECA Legislative Conference, Washington, D.C., 4/23-25/2017 – Paul & Brad
  - f. Fergus Board, April 28 (Friday), May 25, June 22
  - g. Basin MAC, Bismarck, 5/3-4/2017 – Scott
  - h. NWPPA Annual Conference, Sunriver Resort (south of Bend), Oregon – 5/7-10/2017 – Bob
  - i. Fergus Electric Annual Meeting, Fergus County Trade Center, June 8
- 31. NEWS FROM THE DISTRICTS.** Each board member shared items of interest from their district.

32. ADJOURN. PRESIDENT BOB EVANS adjourned the meeting at 4 p.m.

Terry Frost  
Secretary

ATTEST:

Robert D Evans  
President