



VIGILANTE ELECTRIC COOPERATIVE

A Touchstone Energy® Cooperative 

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OWNED BY THOSE WE SERVE

A Message from Your General Manager

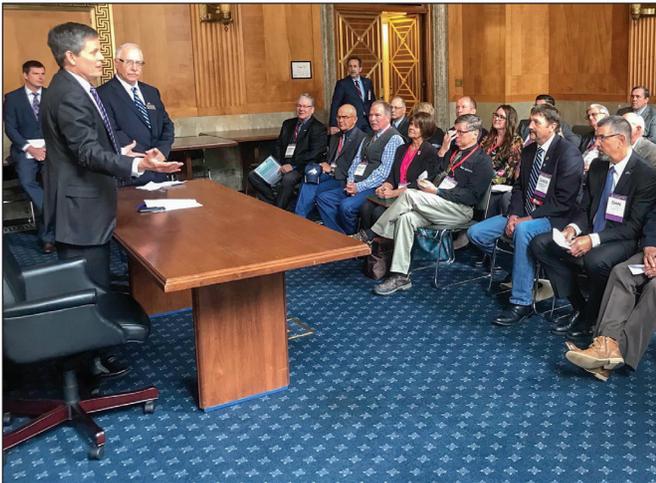
Update on Legislative Issues



Federal Legislative Issue

Recently your Board President Tom Helm and I went to Washington, D.C., and met with all three of our federal legislators: Senators Steve Daines and Jon Tester, and Representative Greg Gianforte. This was a part of the National Rural Electric Cooperatives Association's (NRECA) Legislative Conference. There were about 2,000 electric cooperative leaders from across the country attending this year's conference. We got together prior to the meetings with our delegation and formulated five key areas that we would uniformly all request legislative support for.

The first was to ask our delegation to support and promote



the needs of rural communities in an infrastructure package. We asked that congress look beyond the urban centers and traditional improvements such as roads and bridges and support three key infrastructure investments: 1) modernize the grid; 2) expand rural broadband access and 3) electrify the economy.

The second issue was to protect Bonneville Power Administration and other Power Marketing Administrations from selling off their transmission assets and providing market versus cost-based rates as proposed in the administration's budget for fiscal year 2020. Our electric wholesale rates would be adversely affected if the aforementioned were to take place.

The third issue was to request support for protecting our tax-exempt status in the event we would receive funds from Federal Emergency Management Agency or other government grants. We are federal tax exempt if we receive at least 85 percent of our revenue from members for the sale of electric energy. Government grants may be considered non-member income and could jeopardize our tax-exempt status. We potentially could receive grants for a variety of purposes, including economic development or storm restoration. We should not be forced to choose between tax-exempt status and restoring power after a natural disaster.

The fourth issue was a request to stop the Pension Benefit Guaranty Corporation (PBGC) from overcharging electric cooperative pension plans. NRECA provides a pension plan that poses virtually no risk to the PBGC due to hundreds of cooperatives participating in the plan. Yet electric co-ops continue to pay insurance premiums to the PBGC as if there is such a risk. We asked our legislators to support legislation championed by Reps. Kind of Wisconsin and Kelly of Pennsylvania that adjusts the PBGC premiums to be in line with the low risk posed by the NRECA pension plan.

The fifth issue was directed at just the two senators. It included requesting support for opposition to a Federal Energy Regulatory Commission (FERC) proposal that would override local board control on third-party aggregation of distributed renewable energy. The overreach by FERC is unprecedented and it marked the first time FERC control was asserted on matters pertaining to the operation of a distribution utility. We feel the governance of an electric co-op is best left to the member-elected representatives on the Board. The support received from the senators was

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Legislative Issues

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positive.

There were also meetings in D.C. with the Bureau of Land Management, the Forest Service, U.S. Fish and Wildlife Service and the Rural Utilities Service. These meetings proved to be very valuable. We have very good relationships with some of the local representatives of these entities, and have a strong desire for that to continue.

We hosted a reception with the states of North Dakota and Idaho on one of the evenings while there. This was an excellent opportunity to have informal discussions with our senators and representative, and their staff members. I felt very good about the support we received on all the issues from our federal delegation and their staff. They always enjoy meeting with us from out here.

State Legislative Issue

On the state level I am happy to report that legislative modifications to the aquatic invasive species (AIS) funding source have taken place and were signed into law by the governor. For the past two years we have made quarterly payments to the Montana Department of Revenue for AIS mitigation funding to the tune of just less than \$75,000.



Under this new legislation, alternative statewide sources for funding will be implemented. We have always had the position that this issue is a statewide problem, and we as electric cooperatives should not be taxed on our energy sales to fund it.

Lastly, our irrigation season is in full swing and it appears that there is, for the most part, plenty of water. We hope you have a safe and enjoyable summer, and if you need to contact me for anything, please feel free to do so on my cellphone at 925-1085, or email me at rollie@vec.coop.

Strengthening Our Future

Justin Bair graduates from the Management Internship Program

We would like to congratulate Vigilante Electric Cooperative Line Superintendent Justin Bair for successfully completing an intensive program in electric utility management at the University of Wisconsin, Madison.

The Robert I. Kabat Management Internship Program (MIP) is a series of workshops offered by the National Rural Electric Cooperative Association in conjunction with the University of Wisconsin. The program guides participants through all facets of the electric utility industry,

including the many changes occurring around the nation.

According to General Manager Rollie Miller, "The MIP training is intense, advanced training, and I am happy to have my management team complete it, and am especially proud of Justin for his effort related to this. We work very well together as a unit, and this training can be attributed to some of that success."

Justin is one of only a few electric utility management staff who will graduate from the Management Internship Program this year.

MIP participants go through three 10-day sessions designed to challenge and educate participants in new, innovative management techniques. Participants leave with a better understanding of what consumers want and how to ensure they get it.

By also covering the unique principles that govern the operations of electric cooperatives, the program helps the co-op analyze other business ventures it may want to enter, as well as enhancing the core organization.

Only rural electric cooperative CEOs and top-level management participate in the program. This allows greater emphasis of study on management challenges and the aspects of consumer-ownership that cooperatives enjoy. Participants learn to focus on member value as part of day-to-day decision making.

Justin has completed one of the most exclusive educational programs in the nation for electric cooperative management. We congratulate Justin for this accomplishment and thank him for his dedication to our organization.



Call Before You Dig?

Simple as Dialing 811

The Call before You Dig campaign has been around for years. 811 is the national number designated to help protect do-it-yourselfers, landscapers and contractors from unintentionally hitting underground utility lines while working on digging projects. Every digging project requires a call to 811. Digging into underground utilities is extremely dangerous, there are serious financial repercussions, and it is the law.

Coming in contact with underground power lines is every bit as dangerous as contacting overhead lines. They can carry the same voltage as overhead lines and are much harder to identify. Don't take a chance; one wrong decision could be your last.

Digging up an underground power line also has financial consequences. The costs associated with repairing an underground power line become the obligation of the person responsible for the damage. Depending on the situation, digging into a power line can get very expensive, very fast.

If you need further persuasion, the following are excerpts of Montana law regarding this issue:

Montana Law, Annotated Code 2017, 69-4-502(2) states: "...an excavator may not make or begin an excavation without first obtaining information concerning the possible location of an underground facility from each underground facility owner having the right to bury underground facilities."

Montana Law, Annotated Code 2017, 69-4-503(1) states: "Before beginning an excavation, the excavator shall notify, through a notification center, all owners of underground facilities in the area of the proposed excavation."

Montana Law, Annotated Code 2017, 69-4-523 (1)(b) states: "an excavator who damages an underground facility is liable for the entire cost of the repair of the underground facility."

This applies to everybody:

Montana Law, Annotated Code 2011, 69-4-501(12)(a) states: "Excavation" means an operation in which earth, rock or other material in the ground is moved, removed or otherwise displaced by means or use of any tools, equipment or explosives. The term includes but is not limited to grading, trenching, digging, drilling, augering, tunneling, scraping and cable or pipe plowing and driving. "Excavator" means a person conducting the excavation



activities."

One easy phone call to 811, at least two business days prior to digging, starts the process of getting your underground utility lines marked for free. When you call 811, a local one-call center representative will ask you for the location and description of your digging job, and will notify affected utility companies, which will then send a professional locator to the proposed dig site to mark the approximate location of your lines within a few days of your call.

Once your underground lines have been marked, you will know the approximate location of your utility lines and can dig safely.

In the United States there is one unintentional hit every 3 minutes, which can lead to injury, repair costs, fines, and expensive and inconvenient outages. thirty seven percent of these incidents are caused due to a failure to call 811 before digging. Another 37 percent are due to not digging safely around the marks. Knowing approximately where underground utility lines are buried before each digging project helps to prevent these situations.

Please note that Vigilante Electric Cooperative will only locate wire between the transformer and the meter. We will not locate wire between the meter and the load. This is the responsibility of the member, and will require an electrician.



VIGILANTE ELECTRIC COOPERATIVE

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Vigilante Safety Roundup Tracker

Participating members: 230
Total Contributions: \$2,337.59

To apply contact our office at
(800) 221-8271 or 683-2327

An online application is available at www.vec.coop.

What to do (or not do) when the lights go out

Electricity impacts many aspects of our lives. It provides light and heat, allows us to cook and refrigerate food, helps us perform our work and keeps important equipment running to meet our medical needs. Outages are inconvenient, whether they happen through acts of nature and accidents, or are planned for maintenance and system improvements. While we acknowledge this and make every effort to minimize outages, there is no way to prevent them all. There are things, however, that you can do to minimize the impact:

1. We can't stress this point enough: if you are on oxygen, you will have to use your portable system until power is restored. Make sure that your portable respirator is working properly and that you always have spare tanks that are full. Also, contact us regarding your situation; in the event of a planned outage, we will call so you can plan ahead.
2. Keep a flashlight or candles handy so that you don't get hurt stumbling around in the dark.
3. While we do our best to keep outages as short as possible, an outage in the winter could affect a home's ability to create and/or distribute heat. If you have a wood stove or fireplace, use it; if not, keep extra blankets handy. Also, avoid repeatedly going in and out of the house. Most dwellings retain some heat and you want to avoid introducing fresh cold air into the home when the power goes out.
4. Refrigerators and freezers will keep food safe for hours without electricity. The key is keeping the doors shut.
5. With more people working from home, computers are part of their livelihood, and losing power can be costly if data is lost. We recommend two things: back up your work regularly and purchase an uninterruptible power supply (UPS). A UPS is a battery backup for your computer. In the event of an outage, this device will supply electricity to the computer, allow you to save your data and turn off your computer properly. The duration that the UPS will operate depends on its size and the load plugged into it.

While outages are mostly associated with acts of nature and accidents, we do occasionally turn off the electricity for maintenance and system upgrades. We do this for one reason: the safety of our line crew.

When we plan outages, we make every effort to contact those affected by using several different methods. We mail postcards, send email notifications and, if time permits, we call our members. If notifications of planned outages are important to you, please ensure that your contact information is current.

The best way to keep your account information current is through SmartHub. SmartHub is a web and mobile app that allows you to interact with us. Once you register, you have access to a wealth of information regarding your account and you can receive a variety of notifications, including planned outage notifications, from us. You can access SmartHub from our website, *vec.coop*, or by downloading the app to a smartphone or tablet.

In recent memory, acts of nature have wreaked havoc on the East Coast and in the Midwest, leaving entire regions without power for days, and even weeks. Even here

in Montana, storms cause tremendous damage, leaving people without power for days. While Vigilante Electric Cooperative hasn't had a catastrophic event, it could happen. The key for Vigilante Electric is to keep our system in the best operational condition possible, which is the reason why we have planned outages. The key for you is always being prepared for an outage.

Unplug to be More Connected

By Anne Prince

“Almost everything will work again if you unplug it for a few minutes, including you.” Author Anne Lamott cleverly captures the benefits of unplugging in today's device-driven, multi-tasking world. Keeping up with work, family and school activities — or the latest trends on social media — makes most of us feel compelled to constantly check our devices.

Summer is a great time to take a family vacation, but it's also a good opportunity to unplug from our devices and enjoy the great outdoors with family and friends. Research has shown that we all need downtime after a busy day to recharge — even though we may resist it. Take a moment to slow down and enjoy some peaceful hours away from technology.

While you're unplugging from your devices, take a look around your home to identify electronics that consume energy even when they are not in use (this is known as “vampire” energy loss). TVs, gaming consoles, phone chargers and computers are some of the biggest culprits.

If your summer plans include a staycation, take time to recharge your relationships and be more present with those you love. Enjoy our beautiful surroundings with your family and friends.

Speaking of spending time outdoors, you can also enjoy energy savings by incorporating LED products and fixtures for outdoor use, such as pathway, step and porch lights. Many include features such as automatic daylight shut-off and motion sensors. You can also find solar-powered lighting for outdoor spaces.

Save energy by keeping warm summer air outside, where it belongs. Add caulk or weather stripping to seal air leaks around doors and windows. You can also employ a programmable thermostat to adjust the settings a few degrees higher when no one is home.

In our connected world, we have forgotten how to slow down. We multitask and text. We check email, then voicemail, then Facebook. Do yourself and your family a favor. Put down the device and smell the fresh air.

While Vigilante Electric Cooperative can't help you recharge your relationships, we can help you save money and energy by connecting you with our energy-saving programs and services. When you do plug back in, we're just a call or click away.