

**MINUTES
GENERAL BOARD MEETING
AUGUST 29, 2012
FERGUS ELECTRIC COÖPERATIVE, INC.**

1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session August 29, 2012 with PRESIDENT BOB EVANS calling the meeting to order at 9 a.m. TERRY FROST was secretary and VANGIE McCONNELL was scrivener. Other board members present were DAVID DOVER, PAUL DESCHEEMAER, JASON SWANZ and MIKE VLASTELIC. CORPORATE COUNSEL WILLIAM A. SPOJA, GENERAL MANAGER SCOTT SWEENEY and ASSISTANT MANAGER MIKE STANLEY were also present. The Pledge of Allegiance was recited.
2. **AGENDA APPROVAL.** TERRY FROST moved to approve the agenda. JASON SWANZ seconded the motion which carried unanimously.
3. **APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of the July 25, 2012 general meeting and discussing them, DAVID DOVER moved their approval. MIKE VLASTELIC 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.
5. **MEMBER ADVISORY COMMITTEE AUG. 23.** MANAGER SWEENEY reported that the committee felt the cooperative should maintain the system by continuing with plans to build the Winnett transmission line. Discussion also covered an arrangement called Operation Roundup. Members wishing to round their bill up to the next dollar may do so with funds being used for worthy causes. After discussion, it was decided to review this option once the bankruptcy is settled. The next meeting is set for Oct. 18 at 7 p.m.
6. **BASIN, UPPER MISSOURI, CENTRAL MONTANA AND PRECORP MEETING.** Considerable discussion took place regarding power supply choices for members of Southern G & T. Basin Electric Power Cooperative would like to have all the Southern co-ops purchase power from them. MANAGER SWEENEY noted that there are deadlines for informing the power suppliers of the co-op's decision. The Board and Management discussed various questions to ask the power suppliers at their informational meetings. ASSISTANT MANAGER MIKE STANLEY shared a chart showing a 12-month comparison of estimated rates between Southern and Basin.
7. **CAPITAL CREDIT ESTATE RETIREMENTS.** The Board reviewed the August capital credit estate retirements for \$38,794.68 prepared by SUSAN HINKLEY. MIKE VLASTELIC moved to affirm the retirements and JASON SWANZ seconded the motion which carried unanimously. A copy is attached.
8. **FINANCIAL AND OTHER MONTHLY REPORTS.** GENERAL MANAGER SCOTT SWEENEY presented financial and other monthly reports to the Board for their perusal and discussion. Included in the items thus seen were the following: the July operation report prepared by SALLY HORACEK, the analysis of operating statistics prepared by MIKE STANLEY, and new member list prepared by ERIKA MATTALIANO. Other topics were also discussed.
9. **OPERATIONS REPORT.** The Board considered the operations and maintenance, engineering and safety report of 08/24/2012 prepared by LINE SUPERINTENDENT DALE RIKALA. RIKALA reported that to date 465 new poles have been set with 408 retired and of those, 367 were junked. The 08/28/2012 safety meeting included a benefit update by Vangie McConnell, pole top and bucket truck rescue as well as a cable/fault locating demonstration by ANDREW MAHLEN of Border States.
10. **APPROVAL OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 530-530X for \$14,213.27 and No. 530-530X(A) for \$13,573.00 ending July 31, JASON SWANZ moved their approval. TERRY FROST seconded the motion, which carried unanimously. Expenses were for system improvements, pole changes and pole inserts.
11. **REPORT OF LEGAL COUNSEL.** CORPORATE COUNSEL SPOJA reported that he worked on capital credits, reviewed Central Montana policy, and reviewed board meeting minutes.
12. **N BAR RANCH THREE-PHASE POWER.** MANAGER SWEENEY reported that construction bids were requested for building the three-phase power line to the N Bar Ranch headquarters near Grass Range. The N Bar Ranch will finance the project.
13. **AMENDMENT AND RESTATEMENT OF NRECA RETIREMENT SECURITY AND 401(K) PENSIONS PLANS RESOLUTION.** Aware that the R&S Plan and the 401(k) must periodically be amended to comply with new regulations and that these amendments must be filed with the IRS as a restatement of the Plan, DAVID DOVER moved to sign a resolution authorizing the restatement of the two pension plans. MIKE VLASTELIC seconded the motion which carried unanimously. A copy of the resolution is attached.



14. **SMITH, LANGE & HALLEY, P.C. CONTRACT.** Following a brief discussion, DAVID DOVER moved to sign the engagement letter and audit agreement with Smith, Lange & Halley, P.C. for 2012, 2013 and 2014. PAUL DESCHEEMAERKER seconded the motion which carried unanimously.

15. **BOARD POLICY 222.0 – SALE OF MATERIAL, SERVICE EQUIPMENT, AND SERVICES TO MEMBERS.** After a short review of Board Policy 222.0, PAUL DESCHEEMAERKER moved to approve the amended language. MIKE VLASTELIC seconded the motion which carried unanimously. A copy of the policy is attached.

16. **iPAD TRAINING.** The Board recessed for one half hour of training on iPads that will be used at future meetings.

17. **MANAGER'S REPORT.** MANAGER SWEENEY covered 1) the Signal Peak coal mine, 2) the Advisory Committee, 3) Southern/Highwood Generating Station, 4) Basin Electric power supply proposal, 5) High load moves, and 6) Delphi fire.

18. **SME BOARD APPOINTMENTS.** MANAGER SWEENEY explained that the SME bylaws require that five to ten member representatives sit on the board. Therefore, MIKE VLASTELIC moved that DAVID DOVER and TERRY FROST represent Fergus Electric on the SME Board. JASON SWANZ seconded the motion which carried unanimously. A resolution was signed by PRESIDENT EVANS and SECRETARY FROST and is attached.

19. **NRECA REGION 7 & 9 AND CFC VOTING REPRESENTATIVE.** MIKE VLASTELIC moved to appoint PAUL DESCHEEMAERKER as Fergus Electric's voting delegate to the October Region 7&9 and CFC meetings in Salt Lake City. JASON SWANZ seconded the motion which carried unanimously.

20. **MECA DIRECTOR AND ALTERNATE.** DAVID DOVER moved to appoint MIKE VLASTELIC as Fergus Electric's representative on the MECA Board and TERRY FROST as alternate representative. PAUL DESCHEEMAERKER seconded the motion which carried unanimously.

21. **MECA VOTING DELEGATE AND ALTERNATE.** DAVID DOVER moved to appoint JASON SWANZ as voting delegate to the October 3-5 annual meeting in Great Falls. TERRY FROST seconded the motion which carried unanimously.

22. **MECA STANDING COMMITTEES.** The following agreed to serve on MECA's standing committees: Audit – MIKE STANLEY, Communications – DAVID DOVER, Education and Training – VANGIE McCONNELL, Legislative – JASON SWANZ, Power Supply – ROBERT EVANS, JR., Resolutions – TERRY FROST, and Safety & Loss Control – MIKE VLASTELIC.

23. **DELINQUENT ACCOUNTS.** The Board reviewed the delinquent account list, dated 08/29/2012, prepared by ERIKA MATTALIANO.

24. **FUTURE MEETINGS.** ETIC, Helena, Sept. 7
NWPPA Board, Anchorage, Sept. 5-7
Safety, NRECA Field Rep. Mike Stiff, Sept. 20, 9:30 a.m.
Website Committee, Sept. 20
iPad Training, Sept. 26, 9 – 10 a.m.
FEC Board, Sept. 26, 10 a.m.
NRECA Course 914.1 – Cooperative Communications and Public Opinion:
The Director's Perspective, Great Falls, Oct. 1
MECA Annual and Today's Member Program, Oct. 2, 3, 4
NRECA Course 2630.1 – Strategic Planning, Salt Lake City, Oct. 9
NRECA Region 7&9/CFC, Salt Lake City, Oct. 9-11
Member Advisory Committee, Oct. 18, 7 p.m.
FEC Board, Oct. 25, 9 a.m.

25. **NEWS FROM THE DISTRICTS.** Each director shared items of interest to the Board.

26. **MEETING ADJOURNED.** With no further business to come before the Board, PRESIDENT BOB EVANS adjourned the general meeting at 3 p.m.

SECRETARY Terry Frost

ATTEST:

PRESIDENT Robert Evans