

**MINUTES
GENERAL BOARD MEETING
JANUARY 31, 2012
FERGUS ELECTRIC COOPERATIVE, INC.**

- 1. GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session January 31, 2012 with VICE PRESIDENT DAVID DOVER calling the meeting to order at 10 a.m. TERRY FROST was secretary and VANGIE McCONNELL was scrivener. Other board members present were PAUL DESCHEEMAEKER, JOE DIRKSON, 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. PUBLIC COMMENT PERIOD.** MEMBER TIM CABLISH appeared before the Board with questions regarding the Southern Montana bankruptcy filing. The Board and CABLISH had a 30-minute discussion and before leaving he thanked the Board and said his concerns had been addressed.
- 3. APPROVAL OF AGENDA.** After reviewing the meeting agenda, TERRY FROST moved to approve it. MIKE VLASTELIC seconded the motion which carried unanimously.
- 4. APPROVAL OF MINUTES OF PREVIOUS GENERAL MEETING.** After reviewing the minutes of the December 28, 2011 general meeting and discussing them, JASON SWANZ moved their approval. JOE DIRKSON seconded the motion, which carried unanimously.
- 5. STRATEGIC PLANNING.** After discussion, the Board agreed to set an afternoon meeting on February 24 for strategic planning. The topic for the meeting will be Southern Montana's bankruptcy proceedings and possible impact on Fergus Electric.
- 6. ADVISORY COMMITTEE.** PRESIDENT BOB EVANS, DIRECTOR PAUL DESCHEEMAEKER and MANAGER SWEENEY along with committee members DEE BOYCE, KEN BIEHL, BRAD ARNTZEN, JOE WHISONANT, KIM KUZARA, BOB OR KATHY LEE and STEVE MICHELS will attend the Advisory Committee meeting set for February 9 at 6:30 p.m.
- 7. APPROVAL OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 523-523X for \$50,994.19 and 523-523X (A) for \$0.00 ending December 31, 2011, TERRY FROST moved their approval. JASON SWANZ seconded the motion, which carried unanimously.
- 8. LEGISLATIVE DISCUSSION.** DISTRICT 29 REPRESENTATIVE RYAN OSMUNDSON visited with the Board regarding the Southern Montana bankruptcy and discussed issues that may be presented during the 2013 Montana Legislative Session.
- 9. 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 December 2011 Form 7 prepared by SALLY HORACEK, analysis of operating statistics prepared by MIKE STANLEY and new member list prepared by ERIKA MATTALIANO. Other topics were also discussed.
- 10. CAPITAL CREDIT ESTATE RETIREMENTS.** The board reviewed the January capital credit estate retirements for \$1,580.01 prepared by SUSAN HINKLEY. TERRY FROST moved to approve the retirements and MIKE VLASTELIC seconded the motion, which carried unanimously. A copy is attached.
- 11. OPERATIONS REPORT.** The board considered the Summary of Construction Work Completed in 2011 report prepared by STAKING ENGINEERS GUY JOHNSON and MONTE OBERT.
- 12. POWER OUTAGE REPORT.** MANAGER SWEENEY and the Board reviewed a report covering power interruptions for January through December prepared by VANGIE McCONNELL.
- 13. NEW BILLING STATEMENTS.** MANAGER SWEENEY reviewed the new billing format incorporated into the NISC software that Fergus Electric has adopted. Member billing will be mailed from NISC offices in Saint Louis or Mandan. The notices should be received around the 10th of the month and payment will be due by the 25th.
- 14. REPORT OF LEGAL COUNSEL.** CORPORATE COUNSEL SPOJA reported that he had worked on an agreement with Signal Peak, LLC.
- 15. 2012 BUDGET.** MANAGER SWEENEY and ASSISTANT MANAGER STANLEY reviewed the figures for the 2012 Budget noting that, in consideration of the economy and the Southern bankruptcy, the budget had been trimmed considerably. JOE DIRKSON moved to approve the budget and TERRY FROST seconded the motion which carried unanimously.
- 16. SIGNAL PEAK, LLC.** MANAGER SWEENEY led discussion regarding an agreement for the Signal Peak coal mine. He presented language for amending the original agreement. JOE DIRKSON moved to approve the revised electric service agreement. TERRY FROST seconded the motion, which passed unanimously.

17. **NET METERING.** MANAGER SWEENEY reported that a member had been concerned about Fergus Electric's net metering policy. He had explained how the policy works and reasons for the fees. As a result of the visit with the member, SWEENEY suggested that the cooperative consider the member's concern at a later date. The member also suggested that the cooperative communicate positive information to the membership in as many ways as possible.

18. **SOUTHERN MONTANA.** MANAGER SWEENEY and JOE DIRKSON shared information from Southern Montana's trustee LEE FREEMAN in regard to bankruptcy issues. MR. FREEMAN also stated that he is not anticipating a rate increase for the member cooperatives. He also noted that he would like to hear ideas from the Southern Board, managers and other board members.

19. **BASIN ELECTRIC POWER COOPERATIVE MEETING.** MANAGER SWEENEY will contact Tongue River Electric Cooperative manager ALAN SEE regarding a possible meeting with Basin Electric Power Cooperative new CEO ANDREW SERRI.

20. **ATTORNEY.** After discussion, MIKE VLASTELIC moved to authorize paying Fergus Electric's load ratio share for attorney services to Southern Montana G & T between October 21 and December 2, 2011. JASON SWANZ seconded the motion which carried unanimously.

21. **PERSONNEL.** MANAGER SWEENEY reported that interviews for a person to replace CASHIER/RECEPTIONIST JILL OWENS will begin soon. JILL will retire March 15, 2012.

22. **MECA POWER SUPPLY COMMITTEE.** In the absence of PRESIDENT EVANS, VICE PRESIDENT DAVID DOVER appointed MR. EVANS to replace retired trustee STEVE BALSTER on the MECA Power Supply Committee.

23. **MECA TRANSPARENCY SURVEY.** MANAGER SWEENEY reviewed the MECA Transparency Survey prepared by ASSISTANT MANAGER MIKE STANLEY. A Fergus Electric Member requested a copy of the survey.

24. **FOREMAN.** BRET OPHUS was promoted to foreman replacing retired foreman MURRAY MATTHEWS.

25. **HD SUPPLY.** Fergus Electric's HD Supply representative, KEITH EDDY, was laid off. Fergus Electric was very pleased with EDDY'S performance and MANAGER SWEENEY and LINE SUPERINTENDENT RIKALA immediately wrote a letter of recommendation for his personal use.

26. **CREDENTIALLED COOPERATIVE DIRECTOR FAST TRACK.** JASON SWANZ and PAUL DESCHEEMAERKER reported on the courses they completed for the Credentialed Cooperative Director program. They both agreed that the courses were helpful in understanding their roles as directors. JASON has completed all requirements to become a Credentialed Director.

27. **DELINQUENT ACCOUNTS.** The Board reviewed a list of delinquent accounts.

28. **FUTURE MEETINGS.** Advisory Committee, Headquarters, Feb. 9, 6:30 p.m.
Hearing with Judge Kirscher, Billings, Feb. 14
Safety/Wellness Day, Feb. 15, 8 a.m.
Nominating Committee, Yogo Inn, Feb. 21, 6:30
FEC Strategic Planning, Headquarters, Feb. 24, 1 p.m.
FEC Board, Feb. 29 (Wed.), 10 a.m.
FEC Board, Mar. 29, 10 a.m.
NRECA Course 945.1, Under Scrutiny, Great Falls, Apr. 3
MECA Spring Board, Great Falls, April 4 - 5
FEC Board, April 26, 10 a.m.

29. **NEWS FROM THE DISTRICTS.** The Board received reports from the trustees relative to events of interest or concern involving members within the area of each trustee.

30. **MEETING ADJOURNED.** With no further business to come before the Board, VICE PRESIDENT DAVID DOVER adjourned the general meeting at 5:30 p.m.

Assistant
SECRETARY 

ATTEST:

PRESIDENT 