

**MINUTES  
GENERAL BOARD MEETING  
SEPTEMBER 26, 2013  
FERGUS ELECTRIC COOPERATIVE, INC.**

1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session September 26, 2013 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 PAUL DESCHEEMAEKER, JOE DIRKSON, DAVID DOVER, JASON SWANZ, and MIKE VLASTELIC. CORPORATE COUNSEL WILLIAM A. SPOJA, GENERAL MANAGER SCOTT SWEENEY and OFFICE MANAGER SALLY HORACEK 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, TERRY FROST moved to approve the agenda. MIKE VLASTELIC seconded the motion, which carried unanimously.
4. **APPROVAL OF MINUTES OF PREVIOUS MEETINGS.** After reviewing the minutes of the August 29, 2013 general meeting, JOE DIRKSON moved to approve them. JASON SWANZ seconded the motion, which carried unanimously. After a review of the special meeting minutes of September 11, 2013, JASON SWANZ moved their approval. DAVID DOVER seconded the motion which carried unanimously.
5. **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 August operating report prepared by SALLY HORACEK, the analysis of operating statics prepared by JANINE RIFE DIDIER, and the new member list prepared by ERIKA MATTALIANO.
6. **OPERATIONS REPORT.** The Board considered the operations and maintenance, engineering and safety report of September 20, 2013 prepared by LINE SUPERINTENDENT DALE RIKALA. RIKALA reported that, to date, 66 new meters have been installed. We have added 448 new poles and retired 432 of which 393 were junked. Red Rock crews have started construction on the Winnett Junction to Winnett transmission line project. The September 18, 2013 safety meeting was our annual benefits update presented by NRECA FIELD REP MIKE STIFF.
7. **TODAY'S MEMBERS.** The Board discussed possible candidates to represent Fergus Electric in the Today's Members program. KAHLEY and HANNAH DESCHEEMAEKER were selected from District One.
8. **CAPITAL CREDIT ESTATE RETIREMENTS.** The Board reviewed the September 2013 capital credit estate retirements for \$2,841.59 and a reissued general retirement check for \$20.97. DAVID DOVER moved to affirm the retirements and TERRY FROST seconded the motion, which carried unanimously. A copy is attached.
9. **REPORT OF LEGAL COUNSEL.** LEGAL COUNSEL BILL SPOJA prepared a written report for the Board on the legal seminar that he and KRIS BIRDWELL attended in San Francisco. SPOJA also noted he worked on possible bylaw changes.
10. **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 2013 operating report prepared by SALLY HORACEK, analysis of operating statistics prepared by JANINE RIFE DIDIER, and the new members list prepared by ERIKA MATTALIANO.

11. **APPROVAL OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 543-543X for \$44,940.37 and 543-543X(A) for \$7,373.78 ending August 31, 2013, JASON SWANZ moved their approval. TERRY FROST seconded the motion, which carried unanimously.
12. **POWER OUTAGE REPORT.** MANAGER SWEENEY and the Board reviewed a report covering power interruptions for January through August prepared by VANGIE McCONNELL.
13. **EXECUTIVE SESSION.** MIKE VLASTELIC moved to call an executive session for purposes of discussing bankruptcy issues. JASON SWANZ seconded the motion which carried unanimously. Fergus Electric's bankruptcy attorney JOHN PAUL and attorney TRENT GARDNER of the Goetz, Baldwin and Geddes law firm took part through a conference call.
14. **BANKRUPTCY DISCUSSION.** In the executive session entered into upon a motion duly made, seconded and carried, the Board spent over 2 ½ hours with TRENT GARDNER and JOHN PAUL discussing the matters taking place in the Southern Bankruptcy. No action was taken.
15. **CLARIFICATION OF MOTION RECORDED IN PARAGRAPH 5 OF THE 9-11-2013 MINUTES.** The Board discussed and clarified the fact that the Board's anticipation that the Goetz, Baldwin and Geddes law firm would be involved in the liquidation of Southern under either Chapter 7 or Chapter 11 of the bankruptcy code.
16. **SIGNAL PEAK ENERGY, LLC.** MANAGER SWEENEY reported that PRECorp would be willing to assist Signal Peak in ways to manage their power bill. He also noted he may ask Signal Peak to testify at the bankruptcy confirmation hearing that rate increases might cause the coal mine to explore other sources for their power supply.
17. **ADVISORY COMMITTEE.** The Member Advisory Committee is set to meet Thursday, October 17 at 7 p.m. BOB EVANS volunteered to attend.
18. **POWDER RIVER ENERGY CORPORATION.** MANAGER SWEENEY reported that PRECorp invited all four Southern co-ops and Bighorn County Electric Co-op to attend their Sheridan board meeting September 23. So far, Fergus Electric is the only cooperative to approve a resolution to get future power from PRECorp. PRECorp also approved a resolution to supply power to Fergus Electric.
19. **NRECA RETIREMENT AND SECURITY PLAN.** NRECA notified us there will be no increase in the pension plan for 2014. Because our average age is increasing from 47 to 48, Fergus Electric's billing will go up from 33.08% of base salary to 33.36%.
20. **NRECA MEDICAL INSURANCE.** The cost of medical insurance for Fergus Electric's employees and board did not increase for 2014. However, health care costs are continuing to increase, so the cooperative will explore several NRECA plans for coverage, which includes a high deductible plan with an HSA (Health Savings Account).
21. **CFC VOTING DELEGATE.** PAUL DESCHEEMAEKER moved to nominate MIKE VLASTELIC as Fergus Electric's voting delegate at the CFC meeting in conjunction with the NRECA Region 7 and 9 meeting in Portland. JOE DIRKSON seconded the motion which carried unanimously.
22. **BANK SIGNATURE CARDS.** JOE DIRKSON moved to sign a resolution to approve signing new bank signature cards. MIKE VLASTELIC seconded the motion which passed unanimously. Signatures included: SCOTT W. SWEENEY, SALLY HORACEK, JANINE RIFE DIDIER, ROBERT D. EVANS, JR., DAVID R. DOVER and TERRY FROST.
23. **DELINQUENT ACCOUNTS.** The Board reviewed the delinquent accounts list prepared by ERIKA MATTALIANO.
24. **NEWS FROM THE DISTRICTS.** Each director shared items of interest to the Board.

**26. FUTURE MEETINGS.**

- Beartooth Annual, Sept. 28, Red Lodge, 9 a.m.
- NRECA Course 924.1 – When Disaster Strikes, Great Falls, Sept. 30
- MECA Annual, Great Falls, Sept. 30–Oct. 3
- NRECA Region 7 & 9, Portland, Oct. 15-17
- Safety, Demo Trailer and Underground Locates, Oct. 16
- Member Advisory Committee, Oct. 17, 7 p.m.
- FEC Board, Oct. 31, 9 a.m.
- FEC Board, Nov. 26 (Tues.), 9 a.m.
- Board Retreat, FEC Headquarters, Dec. 10, 9 a.m.
- FEC Board, Fri., Dec. 20, 10 a.m.
- Christmas Dinner, Brooks Market (Elks Club), Dec. 20

**27. MEETING ADJOURNED.** With no further business to come before the Board, PRESIDENT EVANS adjourned the general meeting at 3:45 p.m.

SECRETARY *Terry Frost*  
ATTEST:  
PRESIDENT *Robert Evans*