

**MINUTES
GENERAL BOARD MEETING
AUGUST 29, 2013
FERGUS ELECTRIC COOPERATIVE, INC.**

- 1. GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session August 29, 2013 with PRESIDENT BOB EVANS calling the meeting to order at 9 a.m. TERRY FROST was secretary and JANINE RIFE DIDIER was scrivener. Other board members present were DAVID DOVER, JASON SWANZ, and MIKE VLASTELIC. CORPORATE COUNSEL WILLIAM A. SPOJA, GENERAL MANAGER SCOTT SWEENEY, ASSISTANT MANAGER MIKE STANLEY. JOE DIRKSON and PAUL DESCHEEMAER were absent. 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, MIKE VLASTELIC moved to approve the agenda with changes to 5b. 1) John Paul Conference Call 9 a.m. – 10 a.m., adding 8) Bankruptcy Hearing in Missoula July 31, and correcting the time on the future meeting list under 12g Member Advisory Meeting from 7 a.m. to 7 p.m. TERRY FROST seconded the motion which carried unanimously.
- 4. APPROVAL OF CALLING EXECUTIVE SESSION.** For reasons of confidentiality, DAVID DOVER moved to call an executive session for discussion of the Southern bankruptcy litigation, which included a conference call with BANKRUPTCY ATTORNEY JOHN PAUL, and in which PAUL DESCHEEMAER would also participate. MIKE VLASTELIC seconded the motion which carried unanimously. No action was taken.
- 5. GENERAL MEETING RECONVENED.** The Board reconvened its general board meeting at 10:03 a.m.
- 6. APPROVAL OF MINUTES OF PREVIOUS GENERAL MEETING.** After reviewing the minutes of the July 26, 2013 general meeting and discussing them, DAVID DOVER moved their approval. MIKE VLASTELIC seconded the motion, which carried unanimously.
- 7. APPROVAL OF MECA VOTING AND ALTERNATE DELEGATES.** TERRY FROST moved to approve MIKE VLASTELIC as voting delegate and JASON SWANZ as alternate for the MECA meeting. DAVID DOVER seconded the motion, which carried unanimously. (Note: This motion was changed at the September 11 Special Board Meeting).
- 8. TODAY'S MEMBERS.** The Board discussed possible candidates to represent Fergus Electric in the Today's Members program.
- 9. SOUTHERN BANKRUPTCY.** MANAGER SCOTT SWEENEY said that he and the board need to prepare for the Disclosure Hearing set for September 24 in Billings. The Board asked to delay action on the Southern bankruptcy. A conference call will be scheduled in the next two weeks.
- 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 MIKE STANLEY, and the new members list prepared by ERIKA MATTALIANO.
- 11. APPROVAL OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 542-542X for \$605.88 and 542-542X (A) for \$2,594.87 ending July 31, 2013, JASON SWANZ moved their approval. TERRY FROST seconded the motion, which carried unanimously.

- 12. CAPITAL CREDIT ESTATE RETIREMENTS.** The Board reviewed the August 2013 capital credit estate retirements for \$15,408.10 and \$157.03 re-issued general retirement checks prepared by SUSAN HINKLEY. TERRY FROST moved to affirm the retirements and DAVID DOVER seconded the motion, which carried unanimously. A copy is attached.
- 13. OPERATIONS REPORT.** The board considered the 08/22/2013 report prepared by LINE SUPERINTENDENT DALE RIKALA outlining operations and maintenance, engineering and safety. RIKALA reported that 271 new poles were added and 259 old poles were retired. Poles for the Winnett Junction to Winnett transmission line rebuild are scheduled for delivery starting August 26. Red Rock Construction plans to have crews on site September 9.
- 14. POWER OUTAGE REPORT.** MANAGER SWEENEY and the Board reviewed a report covering power interruptions for January through July prepared by VANGIE McCONNELL.
- 15. APPROVAL OF EXTENSION OF CFC NOTE.** DAVID DOVER moved to assign a two month extension on the Second Amendment to Forbearance Agreement with CFC. JASON SWANZ seconded the motion. PRESIDENT EVANS asked for discussion. Discussion continued. The PRESIDENT put the motion to a vote which carried unanimously.
- 16. APPROVAL OF CHANGING BOARD POLICY 206.0.** After a brief discussion, MIKE VLASTELIC moved to approve adding Section C to Board Policy 206.0, for the purpose of clarifying Section 5.3 of the Bylaws, as follows: Notice of Board Meetings, written notice shall include, but not be limited to email or other electronic transmission to board members. JASON SWANZ seconded the motion, which carried unanimously.
- 17. REPORT OF LEGAL COUSEL.** LEGAL COUNSEL BILL SPOJA reported that he would provide a written report on the Legal Seminar he attended recently in San Francisco, California.
- 18. APPROVAL OF NEW FEE SCHEDULES.** After a brief discussion concerning the miscellaneous fee schedule, DAVID DOVER moved to approve the new fee charges. MIKE VLASTELIC seconded the motion, which carried unanimously.
- 19. APPROVAL OF CHANGING BOARD POLICY 201.0.** After reviewing Board Policy 201.0, Financial Management, Section B. Assumption, paragraph 2, JASON SWANZ moved to approve raising the upper limit for temporary investments from 8% to 20% of total utility plant. MIKE VLASTELIC seconded the motion. PRESIDENT EVANS asked for discussion. Discussion continued. The PRESIDENT put the motion to a vote which carried unanimously.
- 20. ATTENDING MEETINGS VIA CONFERENCE CALL OR VIDEO CONFERENCING.** PRESIDENT EVANS asked SCOTT SWEENEY, MIKE STANLEY and JANINE RIFE DIDIER to review means of attending meetings off site and address policy language for same for discussion at September 26 board meeting.
- 21. APPROVAL OF NRECA REGION 9 VOTING AND ALTERNATE DELEGATES.** After a brief discussion, DAVID DOVER moved to approve JOE DIRKSON as voting delegate of NRECA Region 9 and MIKE VLASTELIC as alternate. TERRY FROST seconded the motion, which carried unanimously.
- 22. SAGE GROUSE MEETING.** MANAGER SWEENEY stated that he and LINE SUPERINTENDENT DALE RIKALA had recently attended a meeting in Billings concerning Sage Grouse., The general consensus of those attending was it is better to be proactive than passive when considering the future of the Sage Grouse. Montana co-ops are studying the program that Wyoming has adopted.
- 23. APPROVAL OF CALLING EXECUTIVE SESSION.** MIKE VLASTELIC moved to call an executive session for purposes of discussing a personnel matter at 2:22 p.m. JASON SWANZ seconded the motion which carried unanimously.

24. **GENERAL MEETING RECONVENED.** The Board reconvened its general board meeting at 3 p.m.
25. **DELINQUENT ACCOUNTS.** The Board reviewed the delinquent accounts list prepared by ERIKA MATTALIANO and noted that delinquents are down from previous months.
26. **NEWS FROM THE DISTRICTS.** Each director shared items of interest to the Board.
27. **MEETING ADJOURNED.** With no further business to come before the Board, PRESIDENT EVANS adjourned the general meeting at 4:35 p.m.

FUTURE MEETINGS. Safety Meeting, Sept. 18
PRECorp Board Meeting, Sept. 23, Sheridan
FEC Board, Sept. 26, 9 a.m.
Beartooth Annual, Sept. 28, Red Lodge, 9 a.m.
NRECA Course 924.1 - When Disaster Strikes
MECA Annual, Great Falls, Sept. 30-Oct. 3
NRECA Region 7 & 9, Portland, Oct. 15-17
Member Advisory Committee, Oct. 17, 7 p.m.
FEC Board, Oct. 31, 9 a.m.

SECRETARY Terry W Inrod

ATTEST:

PRESIDENT Robert Seal