

**MINUTES - GENERAL BOARD MEETING
FEBRUARY 27, 2014
FERGUS ELECTRIC COOPERATIVE, INC.**

1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session February 27, 2014 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, BOB EVANS (by teleconference), 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, JASON SWANZ moved to approve it. MIKE VLASTELIC seconded the motion, which carried unanimously.
4. **APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of the January 30, 2014 general meeting, BOB EVANS moved to approve them. PAUL DESCHEEMAEKER seconded the motion, which carried unanimously.
5. **McCONE ELECTRIC BOUNDARY AGREEMENT AND MEMORANDUM OF UNDERSTANDING.** After discussing the agreement which included a provision whereby one cooperative could request another adjoining cooperative to provide service to a prospective member within the inviting cooperative's boundaries or service territory without forfeiting any of its service territory, TERRY FROST moved to sign the documents. JOE DIRKSON seconded the motion, which carried unanimously.
6. **ETIC BILLING COMPARISON OF MISSOULA AND FERGUS ELECTRIC ACCOUNTS.** MANAGER SWEENEY reviewed the Energy Telecommunications Interim Committee's (ETIC) comparison of an electrical statement from Missoula Electric and one from Fergus Electric. The comparison is displayed on ETIC's Website.
7. **EXECUTIVE SESSION TO DISCUSS SOUTHERN MONTANA BANKRUPTCY.** The Board discussed the Southern Montana Bankruptcy via a teleconference call with BANKRUPTCY ATTORNEYS TRENT GARDNER, BOB BALDWIN and JOHN PAUL.
8. **SOUTHERN MONTANA BANKRUPTCY.** Following discussion in regard to the Southern Montana bankruptcy, MIKE VLASTELIC moved to sign the Common Interest and Cost Allocation Agreement. PAUL DESCHEEMAEKER seconded the motion, which carried unanimously.
9. **COOPERATIVE FINANCE CORPORATION (CFC).** Discussion covered whether to pay off \$2.3 million of debt in regard to a Southern loan guarantee, or to refinance with CFC, at short term rate, an equivalent amount. After discussion, JASON SWANZ moved to sign the CFC agreement to refinance at short term rates (2.9%). TERRY FROST seconded the motion which carried unanimously.
10. **FINANCIAL AND OTHER MONTHLY REPORTS.** GENERAL MANAGER SCOTT SWEENEY presented financial and other monthly reports to the Board for discussion. Included in the items seen were the following: the January operating report prepared and reviewed by OFFICE MANAGER SALLY HORACEK, the analysis of operating statistics prepared by JANINE RIFE DIDIER, and line extension fees prepared by STAKING ENGINEER GUY JOHNSON.

11. **APPROVAL OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 548-548X for \$148,803.33 and 548-548X (A) for \$1,281.51 ending January 31, 2014, JOE DIRKSON moved their approval. PAUL DESCHEEMAER seconded the motion which carried unanimously.
12. **NEW MEMBERS AND DELINQUENT ACCOUNTS.** The Board and Management reviewed the new member list and delinquent account status.
13. **POWER OUTAGE REPORT.** MANAGER SWEENEY and the Board reviewed a report covering power interruptions for January prepared by VANGIE McCONNELL.
14. **REPORT OF LEGAL COUNSEL.** Among other things, CORPORATE COUNSEL BILL SPOJA reviewed the McCone Electric Boundary Agreement and Memorandum of Understanding, and the Retention of Unclaimed Patronage Funds Policy.
15. **MEMBER ADVISORY COMMITTEE.** After discussion about possible appointments to the Advisory Committee from District 1, TERRY FROST moved to appoint SAM WEIDNER to replace DEE BOYCE, who, because of health reasons resigned. JOE DIRKSON seconded the motion, which carried unanimously. Due to the ongoing mediation of Southern and Prudential, the January Member Advisory Committee meeting was cancelled. It is rescheduled for March. PAUL DESCHEEMAER will represent the Board.
16. **SIGNAL PEAK LLC.** Signal Peak has moved their long wall miner and has begun mining again. The shutdown of the long wall miner was less than a month.
17. **PRECORP BOARD MEETING.** MANAGER SWEENEY plans to attend the March 17-18 PRECorp board meeting. MIKE VLASTELIC and TERRY FROST agreed to join him.
18. **WINNETT TRANSMISSION LINE.** MANAGER SWEENEY reported that several outages will take place in order to energize the new Winnett Junction to Winnett transmission line – 25 miles of 69 kV line.
19. **RETENTION OF UNCLAIMED PATRONAGE REFUNDS POLICY.** After discussion regarding the new policy (crafted by MECA) and with minor editing, PAUL DESCHEEMAER moved to approve the policy. JASON SWANZ seconded the motion, which carried unanimously. A copy is attached.
20. **NOMINATING COMMITTEE AREA MEETINGS.** Meetings to select candidates to run for positions on the Fergus Board are set. District 2 (Judith Gap, Buffalo and Moore areas) will meet at Eddies Corner March 6 at 6:30 p.m. District 4 (Grass Range and Winnett areas) will meet at Little Montana in Grass Range on March 8 at 2 p.m.
21. **WELLNESS DAY.** VANGIE McCONNELL reported that blood screens, blood pressure checks, a presentation on cholesterol and on the Lewistown trail system were part of the Wellness Day on February 12, 2014.
22. **ESTATE CAPITAL CREDIT RETIREMENTS.** The Board reviewed the February 2014 estate capital credit retirements of \$3,198.79 prepared by SUSAN HINKLEY. TERRY FROST moved to affirm the retirements and JOE DIRKSON seconded the motion, which carried unanimously.

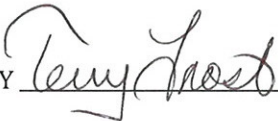


24. **FUTURE MEETINGS.**

Central Annual Meeting and Power Imbalance Markets, Great Falls, Feb. 27-28
PRECorp Board, Sheridan, WY, Mar. 17-18
Safety, Attention Blindness, Job Briefings, PPE Hazard Assessment & Road Rage, Mar 19
Member Advisory Committee, Mar. 20, 7 p.m. (tentative)
FEC Board, Mar. 27, 10 a.m.
CFC Financial Workshop, Great Falls, April 22-23
NWPPA 74th Annual Membership Meeting, Billings, May 18-22
MECA Summer Board, Billings, July 8-9

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

26. **ADJOURN.** With no further business to come before the Board, VICE PRESIDENT DOVER adjourned the general meeting at 2:40 p.m.

SECRETARY  ATTEST: PRESIDENT 