

MINUTES – JUNE 25, 2013
FERGUS ELECTRIC GENERAL BOARD MEETING

1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session on June 25, 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 DESCHEEMAERKER, JOE DIRKSON, DAVID DOVER, 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.** The Board noted the regular time for member input relative to any issue of interest or importance to them. No one appeared.
3. **AGENDA APPROVAL.** JOE DIRKSON moved to approve the agenda. JASON SWANZ seconded the motion which carried unanimously.
4. **APPROVAL OF MINUTES OF PREVIOUS MEETINGS.** After reviewing the minutes of the May 30, 2013 general meeting, MIKE VLASTELIC moved to approve the minutes. TERRY FROST seconded the motion, which carried unanimously. After a review of the special meeting minutes of June 6, 2013, PAUL DESCHEEMAERKER moved their approval. JOE DIRKSON seconded the motion, which carried unanimously. After reviewing the reorganization meeting minutes, TERRY FROST moved to approve them. MIKE VLASTELIC seconded the motion, which carried unanimously.
5. **75TH ANNUAL MEETING REVIEW.** The Board agreed that the meeting on June 6 went very well. To have EMT's present was a good idea and written questions from the membership was successful. It was suggested that an adjustable podium would be a good purchase for next year's annual meeting.
6. **SIGNAL PEAK MINE TOUR AND RATE DISCUSSION.** Plans were discussed for the Signal Peak, LLC mine tour set for July 2. Also, July 10 was set for a meeting with JOHN DeMICHIEI and BUD VIREN of Signal Peak to discuss rates.
7. **JOHN PAUL CONFERENCE CALL.** Fergus Electric's bankruptcy attorney JOHN PAUL, MANAGER SWEENEY, ASSISTANT MANAGER MIKE STANLEY, ATTORNEY BILL SPOJA and the Board discussed Southern bankruptcy issues in an executive session from 10:30 – 11:30 a.m.
8. **WINNETT TRANSMISSION LINE.** MANAGER SWEENEY noted that labor bids for the Winnett transmission line are due June 28.
9. **RUS 605 LOAN REQUISITION.** After discussion, DAVID DOVER moved to submit a RUS Loan Requisition for completed distribution and transmission projects. MIKE VLASTELIC seconded the motion, which passed unanimously.
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 May operating report prepared by SALLY HORACEK, the analysis of operating statistics prepared by MIKE STANLEY, and the new members list prepared by ERIKA MATTALIANO.
11. **FINANCIALS.** TERRY FROST moved to approve the financial reports prepared by MIKE STANLEY and SALLY HORACEK. PAUL DESCHEEMAERKER seconded the motion, which carried unanimously.
12. **REPORT OF LEGAL COUNSEL.** LEGAL COUNSEL BILL SPOJA reported that he had worked with MANAGER SWEENEY and office personnel on several issues, and had reviewed Signal Peak, LLC and Spectra Energy (formerly Express Pipeline) contracts with DAVID DOVER and MIKE STANLEY.



13. **OPERATIONS REPORT.** The Board considered the operations and maintenance, engineering and safety report of June 21, 2013 prepared by LINE SUPERINTENDENT DALE RIKALA. RIKALA reported that to date, 28 new meters have been installed, 189 new poles have been added and 227 have been retired of which 205 were junked. This compares to 23 new meters and 187 junk poles in June of 2012. The June 12 safety meeting included a diabetes presentation by MARCIE BUTCHER. JEAN RAW discussed the signs and some methods to reduce the risk of skin cancer. DAVE KALINA instructed First Aid and CPR training for the line crews.

14. **APPROVAL OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 540-540X for \$34,154.27 and No. 540-540X(A) for \$6,727.85, MIKE VLASTELIC moved their approval and JOE DIRKSON seconded the motion which carried unanimously. Expenses included pole changes.

15. **POWER OUTAGE REPORT.** MANAGER SWEENEY and the Board reviewed a report covering power interruptions for January through May prepared by VANGIE McCONNELL.

16. **PRECORP.** MANAGER SWEENEY reported on the board meeting with PRECorp in Sheridan, Wyoming June 17-18. BOB EVANS, MIKE VLASTELIC, PAUL DESCHEEMAER and MIKE STANLEY also attended along with JIM DeCOCK and ARLO JENSEN from Mid-Yellowstone.

17. **IRS FORM 990.** MANAGER SWEENEY, CORPORATE COUNSEL SPOJA and the Board reviewed the IRS Form 990.

18. **RETIREMENTS.** ASSISTANT MANAGER MIKE STANLEY announced that he planned to retire in February or March of 2014. STANLEY also noted that AUDITOR DUANE SMITH will retire July 1, 2013. He will continue auditing for Fergus Electric for the next three years.

19. **CONFERENCE CALL MEETING.** PRESIDENT EVANS announced that a special conference call meeting will take place July 1, 2013 at 1 p.m. to approve the labor bid for the transmission/distribution line between the Winnett and Winnett Junction substations. Southern bankruptcy issues will also be discussed.

20. **FUTURE MEETINGS.**

Four Co-ops, and Twin Eagle, Billings, June 26
MECA Summer Meeting, East Glacier, July 8-9
Safety – Pole Top Rescue & Test Tools, July 17
Four Co-ops/SME, Billings, July 23
FEC Board, July 25, 9 a.m.
Bankruptcy Valuation Hearing, Missoula, July 29
Member Advisory Committee, Aug. 15, 7 p.m.
FEC Board, Aug. 29, 9 a.m.

21. **EXECUTIVE SESSION –** Delinquent Status & New Members were reviewed.

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

23. **MEETING ADJOURNED.** With no further business to come before the Board, PRESIDENT EVANS adjourned the general meeting at 2:30 p.m.

SECRETARY



ATTEST:

PRESIDENT

