

**MINUTES
GENERAL BOARD MEETING
NOVEMBER 30, 2012
FERGUS ELECTRIC COOPERATIVE, INC.**

1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session November 30, 2012 with PRESIDENT BOB EVANS calling the meeting to order at 10 a.m. TERRY FROST was secretary and VANGIE McConnell was scrivener. Other board members present were PAUL DESCHEEMAER, 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. **AGENDA APPROVAL.** DAVID DOVER moved to approve the agenda. MIKE VLASTELIC seconded the motion which carried unanimously.
3. **APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of the October 24, 2012 general meeting and discussing them, DAVID DOVER moved their approval. JASON SWANZ seconded the motion, which carried unanimously.
4. **PUBLIC COMMENT PERIOD.** The Board noted the regular time for member input relative to any issue of interest or importance to them. REPRESENTATIVE RYAN OSMUNDSON of House District 29 appeared before the Board at 11:30 a.m. Issues likely to come before the 2013 Montana Legislature were discussed.
5. **SOUTHERN.** As a result of the Southern bankruptcy filing, MANAGER SWEENEY led a lengthy discussion with the Board regarding possible options for Southern.
6. **CENTRAL MONTANA ELECTRIC POWER COOPERATIVE.** DOUG HARDY, Central's general manager, spoke to the Board on the possibility of Fergus Electric joining the wholesale power supplier. The Board had ample time to ask questions regarding Central and Basin Electric Power Cooperative.
7. **CAPITAL CREDIT ESTATE RETIREMENTS.** The Board reviewed the November capital credit estate retirements for \$12,242.26 prepared by SUSAN HINKLEY. DAVID DOVER moved to affirm the retirements and TERRY FROST seconded the motion which, carried unanimously. A copy is attached.
8. **APPROVAL OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 533-533X for \$31,301.08 and No. 533-533X (A) for \$4,332.31 ending October 31, 2012, JOE DIRKSON moved their approval. MIKE VLASTELIC seconded the motion, which passed.
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 October operating report prepared by SALLY HORACEK, the analysis of operating statistics prepared by MIKE STANLEY, and the new members list prepared by ERIKA MATTALIANO. Other topics were discussed.
10. **OPERATIONS REPORT.** Upon receiving the operations and maintenance, engineering and safety report of November 20, 2012 prepared by LINE SUPERINTENDENT DALE RIKALA, the Board reviewed the report prior to the meeting. RIKALA reported that, to date, 565 new poles have been set with 470 junked. Due to the Bay Ltd. high loads passing through Fergus Electric's service area, the monthly safety meeting was canceled and will be rescheduled.
11. **REPORT OF LEGAL COUNSEL.** CORPORATE COUNSEL SPOJA reported that he worked on correspondence and other business for the cooperative.
12. **SOUTHERN TRUSTEE AND ACES PRESENTATION.** MANAGER SCOTT SWEENEY and the Board met with BANKRUPTCY TRUSTEE LEE FREEMAN, BANKRUPTCY ATTORNEY JOHN PARKS and representatives from Aces Power Marketing on November 1 to discuss various bankruptcy proposals.
13. **HIGHWOOD GENERATING STATION VISIT.** MANAGER SWEENEY, DAVID DOVER, FERGUS BANKRUPTCY ATTORNEY JOHN PAUL and TONGUE RIVER BANKRUPTCY ATTORNEY JEFF HUNNES were given a tour of the Highwood Generating Station by HGS MANAGER BILL BATO November 2.
14. **BASIN ELECTRIC POWER COOPERATIVE ANNUAL MEETING.** MANAGER SWEENEY attended the Basin Annual Meeting November 7 – 8 in Bismarck, N.D. He was able to visit with Basin Electric Power Cooperative representatives while there. He also visited with representatives from Powder River Energy Corporation, Central Montana Electric Power Cooperative, Upper Missouri Generation and Transmission Electric Cooperative, and Yellowstone Valley Electric Cooperative.
15. **SME.** PRESIDENT DAVID DOVER called the SME meeting to order in Billings, November 19. DOVER reported that IESS will end their wholesale power contract with Southern Montana December 31, 2012. Possibilities for selling SME's land were discussed.

16. **CONFERENCE CALL WITH JOHN PAUL.** MANAGER SWEENEY arranged for a conference call during the meeting. FERGUS BANKRUPTCY ATTORNEY JOHN PAUL discussed the difference of being over secured and under secured for the creditors. The difference is critical to the bankruptcy. Also, of concern is the value of the Highwood Generating Station. The Board discussed the advantages of negotiating for the best proposal with BANKRUPTCY TRUSTEE LEE FREEMAN. ATTORNEY PAUL said the Southern bankruptcy (filed October 21, 2011) is extremely complex and difficult.
17. **SIGNAL PEAK, LLC.** MANAGER SWEENEY reported that a tentative date for a tour of the mine is set for January 9, 2013.
18. **MEMBER ADVISORY COMMITTEE.** The next committee meeting is set for December 13 at 7 p.m. DAVID DOVER will represent the Board at this meeting.
19. **HIGH LOAD MOVES.** MANAGER SWEENEY told the Board that high load work is continuing. Bay Ltd will be moving two high loads on November 29 and 30. Cruz Carriers is planning to move a high load through on Monday, December 3 and possibly again on Tuesday, December 5. Bay Limited is currently planning to make some moves in mid-January with another batch moving in June.
20. **HEBERLY ENGINEERING.** JIM SANDS, Professional Engineer for Heberly Engineering in Havre, has been hired by Hill County Electric. SANDS has been Fergus Electric's "go to" engineer and will be missed.
21. **DELINQUENT ACCOUNTS.** The Board reviewed the delinquent account list, dated 11/29/2012 prepared by ERIKA MATTALIANO.
22. **FUTURE MEETINGS.** Safety – To Be Scheduled
FEC Board and Christmas Dinner, November 30
MECA Board and Christmas Dinner, December 4-5
Website Committee, December 13, 3 p.m.
Member Advisory Committee, December 13, 7 p.m.
Powder River Energy, Sheridan, Wyoming, December. 13
SME, Billings, December 18, Big Horn Resort, 9 a.m.; Bankruptcy Court Hearing, Federal Courthouse, 1:30 p.m.
FEC Board, December 27, 10 a.m.
Mine Visit with John De Michiei, Jan. 9
FEC Board, January 31, 10 a.m.
23. **NEWS FROM THE DISTRICTS.** Each director shared items of interest to the Board.
24. **MEETING ADJOURNED.** With no further business to come before the Board, PRESIDENT BOB EVANS adjourned the general meeting at 5:20 p.m.

SECRETARY

Terry Inos

ATTEST: PRESIDENT

Robert Evans