

**MINUTES
GENERAL BOARD MEETING
OCTOBER 26, 2011
FERGUS ELECTRIC COOPERATIVE, INC.**

- 1. GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session October 26, 2011 with PRESIDENT BOB EVANS calling the meeting to order at 10:08 a.m. STEVE BALSTER was secretary and JANINE RIFE DIDIER was scrivener. Other board members present were DAVID DOVER, JOE DIRKSON, TERRY FROST, 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. EXECUTIVE SESSION.** SECRETARY/TREASURER STEVE BALSTER requested amending the October 26, 2011 FEC Board Agenda to include an Executive Session at the end of the board meeting to be attended by Board Trustees, Manager, and Corporate Counsel. DAVID DOVER moved to amend the agenda to include an Executive Session. JASON SWANZ seconded the motion, which carried unanimously.
- 3. PUBLIC COMMENT – MEMBER GUEST ATTENDEE.** Fergus Electric Co-op member JERRY VAN HAUR, Hilger, MT addressed the board stating that he is concerned that Fergus Electric is planning to use JON DOAK as its legal counsel during Southern's bankruptcy proceedings. VAN HAUR said he would like Fergus Electric to have its own bankruptcy counsel.
- 4. APPROVAL OF MINUTES OF PREVIOUS GENERAL MEETING.** After reviewing the minutes of the September 29, 2011 general meeting and discussing them, DAVID DOVER moved their approval as amended. STEVE BALSTER seconded the motion, which carried unanimously.
- 5. APPROVAL OF MINUTES OF PREVIOUS SPECIAL CONFERENCE CALL BOARD MEETING.** After reviewing the minutes of the October 7, 2011 special conference call board meeting and discussing them, JOE DIRKSON moved their approval as amended. DAVID DOVER seconded the motion, which carried unanimously.
- 6. 30-60-90 DELINQUENCY REPORT.** CORPORATE COUNSEL WILLIAM A. SPOJA recommended that the Delinquency Report be an item considered during an Executive Session period of the board meeting.
- 7. 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 September 2011 Form 7 prepared by SALLY HORACEK, analysis of operating statistics prepared by MIKE STANLEY, the September work order report prepared by JANINE RIFE DIDIER, delinquent account status and new member list prepared by ERIKA MATTALIANO, and checks drawn. Other topics were also discussed.
- 8. APPROVAL OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 520-520X for \$41,536.55 and 520-520X (A) for \$7,358.95 ending September 30, 2011, STEVE BALSTER moved their approval. JASON SWANZ seconded the motion, which carried unanimously.
- 9. OPERATIONS REPORT.** The Board considered the 10/21/2011 report prepared by LINE SUPERINTENDENT DALE RIKALA outlining operations and maintenance, engineering and safety. RIKALA reported that 276 new poles were added and 247 old poles were retired. Fergus Electric received nearly \$50,000 from FEMA, which represents the estimated cost of four of the thirteen flood-damage claims that were submitted. BRUCE McCASLAND, 3M Locating and Marking representative gave a presentation on underground cable locating with hands on training in the field. VANGIE McCONNELL, Fergus Electric Benefits Administrator gave a wellness presentation on Eat Smart.
- 10. POWER OUTAGE REPORT.** MANAGER SWEENEY and the Board reviewed a report covering power interruptions for January through September prepared by VANGIE McCONNELL.
- 11. CAPITAL CREDIT ESTATE RETIREMENTS.** The Board reviewed the October 2011 capital credit estate retirements for \$1,814.64 and re-issued general retirements for \$224.09 prepared by SUSAN HINKLEY. JOE DIRKSON moved to approve the retirements and TERRY FROST seconded the motion, which carried unanimously. A copy is attached.
- 12. BOARD POLICY 215.00 – ADVISORY COMMITTEE.** The board reviewed Board Policy 215.00 and discussed the importance of recruiting members to serve on an Advisory Committee. Upon hearing from each trustee, STEVE BALSTER moved to reenact Board Policy 215.00, Advisory Committee and each trustee will try to nominate two members from their district by the November 2011 board meeting. MIKE VLASTELIC seconded the motion, which carried unanimously.
- 13. NET METERING.** MANAGER SWEENEY reported that the co-op currently has two net meters, one wind, and one solar.
- 14. CAPITAL CREDIT EARLY RETIREMENT.** MANAGER SWEENEY reported that refunding capital credits to members of a certain age, i.e. over age 90 is considered age discrimination and would be unlawful.

15. **HD SUPPLY.** MANAGER SWEENEY reported that he and LINE SUPERINTENDENT DALE RIKALA will meet with HD Supply to discuss the material partnering agreement.
16. **MEETING REPORTS.** MIKE VLASTELIC gave an informative talk on NRECA Course 974.1 and the NRECA Region 9 meetings he had attended.
17. **SAFETY MEETINGS ATTENDANCE.** The board discussed attending safety meetings. Managers and Line Superintendents should attend monthly safety meetings while Board Trustees should attend periodic safety meetings.
18. **SIGNAL PEAK.** MANAGER SWEENEY reported that Signal Peak Energy coal mine wants to increase its coal production and its load.
19. **2011 PHYSICAL INVENTORY.** MANAGER SWEENEY reviewed the 2011 physical inventory results with the board. The board was pleased with the results and requested that MANAGER SWEENEY tell everyone "good job."
20. **REPORT OF LEGAL COUNSEL.** CORPORATE COUNSEL SPOJA reported that, among other things, he worked on issues regarding Southern Montana G&T.
21. **BANKRUPTCY COUNSEL CONSIDERED.** The board discussed the necessity of hiring a bankruptcy attorney since Southern Montana Electric G&T has filed for Chapter 11 bankruptcy. The board recommended that MANAGER SWEENEY and CORPORATE COUNSEL SPOJA pursue researching a bankruptcy attorney to hire.
22. **EXECUTIVE SESSION.** MIKE VLASTELIC moved to go into executive session. TERRY FROST seconded the motion, which carried unanimously. The board went into executive session and when concluded returned to open session for the remainder of the meeting.
23. **LETTER TO MEMBERSHIP.** MANAGER SWEENEY presented a letter to the board for review and discussion. The letter informs the membership of Southern's recent Chapter 11 bankruptcy filing. PRESIDENT EVANS and MANAGER SWEENEY each signed the letter.
24. **INFORMATION PROVIDED.** VICE PRESIDENT DAVID DOVER commended MANAGER SCOTT SWEENEY and ASSISTANT MANAGER MIKE STANLEY on the quality of material that they have provided for the board to review. The board concurred and thanked them for their work.
25. **NEWS FROM THE DISTRICTS.** Each trustee shared items of interest to the Board.
26. **MEETING ADJOURNED.** With no further business to come before the Board, PRESIDENT BOB EVANS adjourned the general meeting at 5:30 p.m.

FUTURE MEETINGS. Safety Meeting, Nov. 16

SME meeting, Billings, Nov. 17


Southern meeting, Billings, Nov. 18

FEC Board, Nov. 29, 10:00 a.m.

FEC Board, Dec. 28, 10:00 a.m.

FEC Board, Jan. 26, 10:00 a.m.

FEC Board, Feb. 29, 10:00 a.m.

SECRETARY 

ATTEST:

PRESIDENT 