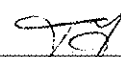
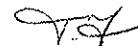


**MINUTES - GENERAL BOARD MEETING
NOVEMBER 25, 2014
FERGUS ELECTRIC COOPERATIVE, INC.**

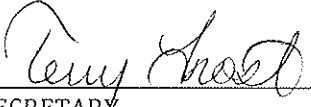
1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session November 25, 2014 with PRESIDENT BOB EVANS calling the meeting to order at 9 a.m. TERRY FROST was secretary and VANGIE McCONNELL was scrivener. Other board members present were PAUL DESCHEEMAERKER, DAVID DOVER, JOE DIRKSON, JASON SWANZ, and MIKE VLASTELIC. CORPORATE COUNSEL KRIS BIRDWELL, GENERAL MANAGER SCOTT SWEENEY, OFFICE MANAGER SALLY HORACEK and FINANCIAL ANALYST JANINE RIFE DIDIER 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, JOE DIRKSON moved to approve it. PAUL DESCHEEMAERKER seconded the motion, which carried unanimously.
4. **APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of the October 31, 2014 general meeting, MIKE VLASTELIC moved to approve them. JOE DIRKSON seconded the motion, which carried unanimously.
5. **BASIN ELECTRIC POWER COOPERATIVE ANNUAL MEETING.** GENERAL MANAGER SCOTT SWEENEY, TERRY FROST, BOB EVANS and PAUL DESCHEEMAERKER reported that the November 4 - 6 meeting in Bismarck was informative and well organized. SWEENEY stated Basin's wholesale power rates would not increase in 2015. FROST toured a coal mine and DESCHEEMAERKER toured a gasification plant; both men noted that the facilities were huge. Powder River Energy Corporation representatives attended as well and Fergus Electric's delegates had ample time to visit with them about power supply and sharing services. SWEENEY also mentioned that Tongue River Electric signed a resolution to purchase power from PRECorp. PRESIDENT EVANS reported a great meeting with Basin being very welcoming.
6. **REVISED COST STUDY.** MANAGER SWEENEY noted that PRECorp had funded a cost study with four co-ops contracting for power. Now, a revised study needs to be done showing the cost savings for three co-ops joining PRECorp. SWEENEY feels that Fergus Electric should help invest in the Guernsey study. The Board agreed.
7. **PRECORP BOARD MEETING.** MIKE VLASTELIC and BOB EVANS reported on the November 18 meeting in Gillette. VLASTELIC noted that each department head gave a report at the board meeting. Some discussion covered charging the membership for the engineers' time when estimating the cost and other aspects of a proposed project.
8. **SOUTHERN BOARD.** DAVID DOVER reported on the Southern Board meeting in Billings November 13-14. He noted that Southern is close to having the bankruptcy finished, hopefully, by December 31, 2014. Also, Southern requested a 2014 and 2015 audit review be done.
9. **MID-YELLOWSTONE.** MANAGER SWEENEY, DAVID DOVER, BOB EVANS, PAUL DESCHEEMAERKER, JASON SWANZ and MIKE VLASTELIC met with the Mid-Yellowstone manager and five board members. Mid-Yellowstone is SHOWING more interest in joining PRECorp to obtain their future power supply.
10. **APPROVAL OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 557-557X for \$3,440.13 and 557-557X(A) for \$7,000.97 ending October 31, 2014, TERRY FROST moved their approval. JASON SWANZ seconded the motion, which carried unanimously.



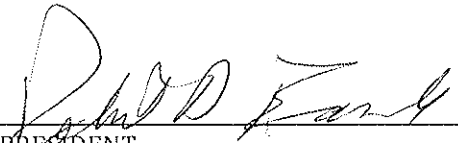
11. **SOUTHERN BANKRUPTCY DISCUSSION.** The Fergus Board and Management joined a teleconference call with attorneys TRENT GARDNER, BOB BALDWIN and JOHN PAUL. The Beartooth mediation was discussed outlining counter proposals that will be forwarded to Beartooth for their consideration. Appraisals of the property adjacent to the Highwood Generating Station will be forthcoming.
12. **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 October operating report prepared and reviewed by OFFICE MANAGER SALLY HORACEK and the analysis of operating statistics prepared by FINANCIAL ANALYST JANINE RIFE DIDIER.
13. **CFC PROPOSAL.** MANAGER SWEENEY noted that Fergus Electric has about \$9.5 million in RUS loans with a 5% interest rate. CFC is proposing for Fergus Electric to refinance this debt at a lower rate. However, before refinancing could occur, RUS needs to authorize a payoff.
14. **NEW CONSTRUCTION WORK PLAN.** Management and Staff are working with RUS FIELD REP DENVER SCHLAEPPPI, and Heberly and Associates on a new 2016 - 2019 RUS Construction Work Plan. Heberly has completed the voltage drop study and now projects will be selected for the Construction Work Plan. Pole changes will be one of the big categories - 600 a year for four years.
15. **OPERATIONS REPORT.** The Board considered the operations and maintenance, engineering and safety report of November 21, 2014 prepared by LINE SUPERINTENDENT DALE RIKALA. RIKALA reported that, to date, 67 new meters have been installed. He also noted that 680 new poles have been added with 515 retired of which 513 were junked. This compares to 88 new meters and 454 junk poles in November of 2013.
16. **LEGAL COUNSEL.** CORPORATE COUNSEL KRIS BIRDWELL reviewed a capital credit request from a member. According to board policy, the co-op does not have a hardship provision.
17. **ENERGY SHARE DONATION.** MANAGER SWEENEY reported that the cooperative has contributed \$22,000 to the Universal Systems Benefits Program to assist low-income members in meeting their energy needs.
18. **SIGNAL PEAK COAL MINE AND EXPRESS PIPELINE.** MANAGER SWEENEY reported that the coal mine had a total load factor of 66.9% and the pipeline had a combined load factor of 66.2%.
19. **MEMBER ADVISORY COMMITTEE.** On November 20, 2014, the Member Advisory Committee gathered for their meeting. Discussion covered resolutions with PRECorp to provide a future power supply and to share services. The committee continued discussion on net metering rates and how to charge all co-op members fairly. OFFICE MANAGER SALLY HORACEK reviewed office procedures. With the Southern bankruptcy settled, the committee was in agreement to stop meeting until the Board decides to reinstate the committee.
20. **NWPPA.** MANAGER SWEENEY led discussion on membership in the Northwestern Public Power Association. It was generally felt that the lobbying they do on behalf of cooperatives is valuable.
21. **ESTATE CAPITAL CREDIT RETIREMENTS.** The Board reviewed the November 2014 estate capital credit retirements of \$19,623.37 prepared by SUSAN HINKLEY. JOE DIRKSON moved to affirm the retirements and MIKE VLASTELIC seconded the motion, which carried unanimously. A copy is attached.



- 22. **TREE CUTTING.** A short discussion covered cutting trees in the burned areas around Roundup.
- 23. **DELINQUENT ACCOUNTS AND NEW MEMBERS.** The Board and Management reviewed a list of past due accounts – 30, 60 and 90 days and a list of new members.
- 24. **FUTURE MEETINGS.**
 MECA Board and Banquet, Great Falls, Dec. 2-3
 PRECorp, Sheridan, Dec. 16
 Southern Board, Billings, Dec. 17
 FEC Board, Dec. 19, 1 p.m.
 Christmas Dinner, Pine Meadows/Brooks Market, Dec. 19
 FEC Board, Jan. 29, Feb. 26, Mar.26
- 26. **NEWS FROM THE DISTRICTS.** Each trustee shared items of interest to the Board.
- 27. **ADJOURN.** With no further business, the meeting was adjourned by PRESIDENT EVANS at 12 noon.



 SECRETARY

ATTEST: 

 PRESIDENT