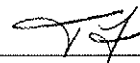


**MINUTES - GENERAL BOARD MEETING
APRIL 24, 2014
FERGUS ELECTRIC COOPERATIVE, INC.**

1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session April 24, 2014 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 DESCHEEMAEKER, DAVID DOVER, JOE DIRKSON, JASON SWANZ, and MIKE VLASTELIC. CORPORATE COUNSEL WILLIAM A SPOJA (arriving at 2 p.m.), ATTORNEY 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, PAUL DESCHEEMAEKER moved to approve it. JOE DIRKSON seconded the motion, which carried unanimously.
4. **APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of the March 27, 2014 general meeting, TERRY FROST moved to approve them. DAVID DOVER seconded the motion, which carried unanimously.
5. **SOUTHERN BOARD MEETINGS - APRIL 4 AND APRIL 11, 2014.** SOUTHERN PRESIDENT DAVID DOVER and SOUTHERN INTERIM MANAGER SCOTT SWEENEY reported on two meetings where discussion centered on the Disclosure Statement and Reorganization Plan that were filed in Court regarding the Southern Bankruptcy. A tight aggressive time frame has been set for all bankruptcy proceedings.
6. **SOUTHERN BANKRUPTCY DISCUSSION - EXECUTIVE SESSION.** Via a conference call, the Board discussed bankruptcy issues with ATTORNEY TRENT GARDNER, ATTORNEY BOB BALDWIN and ATTORNEY JOHN PAUL. At the conclusion of the executive session, TERRY FROST moved to authorize DAVID DOVER, JASON SWANZ and MANAGER SWEENEY to represent Fergus Electric, with settlement authority, at the Southern/Beartooth mediation set for May 14, 2014 in Billings. The Board will be updated, as needed, via conference call. PAUL DESCHEEMAEKER seconded the motion, which carried unanimously.
7. **MANAGEMENT ALLIANCE.** MANAGER SWEENEY reported on his visit with PRECorp MANAGER MIKE EASLEY to the Basin Electric headquarters. He noted that North Dakota co-ops Slope Electric, Oliver-Mercer Electric and Mor-Gran-Sou Electric signed papers to formalize their management alliance. SWEENEY said the Innovative Energy Alliance, LLC is an interesting concept for sharing management responsibilities.
8. **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 March operating report prepared and reviewed by OFFICE MANAGER SALLY HORACEK and the analysis of operating statistics prepared by FINANCIAL ANALYST JANINE RIFE DIDIER.
9. **OPERATIONS REPORT.** The Board considered the operations and maintenance, engineering and safety report of 04/18/2014 prepared by LINE SUPERINTENDENT DALE RIKALA. RIKALA reported that, to date, nine new meters have been installed. He also noted that 65 new poles were added and 63 were retired of which 48 were junked. The March 19 safety meeting included presentations from Johnnie Stanton on Attention Blindness, Job Briefings and PPE Hazard Assessment.
10. **APPROVAL OF WORK ORDERS.** After reviewing inventory of Work Orders No.550-550X for \$52,758 and 550-550X (A) with a zero balance ending March 31, 2014, JOE DIRKSON moved their approval. MIKE VLASTELIC seconded the motion, which carried unanimously.



11. **POWER OUTAGE REPORT.** MANAGER SWEENEY and the Board reviewed a report covering power interruptions for January through March prepared by VANGIE McCONNELL.
12. **MANAGER'S REPORT.** MANAGER SWEENEY updated the Board on load factors regarding the Signal Peak coal mine and the Express pipeline. Signal Peak's load factor was up and Express pipeline's load factor was down.
13. **MECA BOARD.** MIKE VLASTELIC and MANAGER SWEENEY reported on the April 1-2 meeting in Great Falls. Discussion covered the bylaws, the policy manual and LEGISLATIVE CHAIR DOUG HARDY talked about net metering.
14. **MEMBER ADVISORY COMMITTEE.** MANAGER SWEENEY reported that the committee met April 9 at the Lewistown headquarters. They all agreed that it was important to keep the committee together until the Southern Bankruptcy is settled.
15. **CFC FINANCIAL WORKSHOP.** DAVID DOVER, BOB EVANS and TERRY FROST reported on the workshop in Great Falls April 22-23. It covered the following topics: Understanding Financial Statements, Capital Credits, Electric Rates – New Approaches to Ratemaking, and Being an Ambassador for Your Cooperative While in the Checkout Line.
16. **REPORT OF LEGAL COUNSELS.** Among other things, CORPORATE COUNSEL BILL SPOJA and CORPORATE COUNSEL KRIS BIRDWELL reviewed loan documents and Southern Montana Bankruptcy issues.
17. **RESOLUTION TO EXTEND RUS PROMISSORY NOTE.** After discussion, JASON SWANZ moved to extend the previously established RUS Future Advance Promissory Note dated May 1, 2009 in an extension to advance funds not to exceed May 1, 2015. PAUL DESCHEEMAEKER seconded the motion, which carried unanimously. A copy is attached.
18. **ESTATE CAPITAL CREDIT RETIREMENTS.** The Board reviewed the April 2014 estate capital credit retirements of \$4,217.66 prepared by SUSAN HINKLEY. TERRY FROST moved to affirm the retirements and JOE DIRKSON seconded the motion, which carried. A copy is attached.
19. **FIRST QUARTER WRITE-OFFS.** DAVID DOVER moved to write off \$60.42 in bad debt and to continue with collection procedures as outlined in Board Policy. TERRY FROST seconded the motion, which carried unanimously. A list is attached.
20. **FUTURE MEETINGS.** Safety, Annual Hearing Test, Hot Sticks & Personal Grounds & Chain Slings Inspection, May 14; HGS Plant Tour, May 8; NWPPA 74th Annual Membership Meeting, Billings, May 18-22; FEC Board, May 29, 9 a.m.; FEC Annual, June 5; PRECorp, Sheridan, WY, June 16-17; FEC Board, June 26; Southern Bankruptcy Court, June 6; Member Advisory Committee, July 23.
21. **NEWS FROM THE DISTRICTS.** Each director shared items of interest to the Board.
22. **ADJOURN.** With no further business, the meeting was adjourned at 3:30 p.m.


ATTEST:


 Secretary President