

**MINUTES
GENERAL BOARD MEETING
JULY 25, 2012
FERGUS ELECTRIC COOPERATIVE, INC.**

- 1. GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session July 25, 2012 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 JOE DIRKSON, DAVID DOVER, PAUL DESCHEEMAER, 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.** MIKE VLASTELIC moved to approve the agenda. JOE DIRKSON seconded the motion which carried unanimously.
- 3. APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of the June 28, 2012 general meeting and discussing them, DAVID DOVER moved their approval. PAUL DESCHEEMAER 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.
- 5. UPPER MISSOURI G & T.** BOB EVANS, MIKE VLASTELIC, PAUL DESCHEEMAER, TED CHURCH, JIM DeCOCK and SCOTT SWEENEY met with Upper Missouri G & T representatives MANAGER CLAIRE VIGESAA and VICE PRESIDENT ALLEN THIESSEN. MANAGER SWEENEY said it was a very positive meeting.
- 6. SOUTHERN BANKRUPTCY.** MANAGER SWEENEY and the Board entered into a lengthy discussion on Southern Bankruptcy issues. TRUSTEE LEE FREEMAN has scheduled mediation with the City of Great Falls set for Aug. 1 and with Yellowstone Valley Electric Cooperative on Aug. 30. MR. FREEMAN has stated that bankruptcy proposals must be submitted to the Trustee by Sept. 17. Market price for electricity is continuing to be reasonable enabling Southern to make money and to currently pay Prudential one million dollars monthly.
- 7. CAPITAL CREDIT ESTATE RETIREMENTS.** The Board reviewed the June capital credit estate retirements for \$13,457.92 prepared by SUSAN HINKLEY. MIKE VLASTELIC moved to affirm the retirements and TERRY FROST seconded the motion which carried unanimously. A copy is attached.
- 8. 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 June operation report prepared by SALLY HORACEK, the analysis of operating statistics prepared by MIKE STANLEY, and new member list prepared by ERIKA MATTALIANO. Other topics were also discussed.
- 9. N BAR RANCH.** MIKE SEDGWICK, representing the WILKS brothers who own the N Bar Ranch, spoke to the Board regarding three-phase power to the ranch headquarters and future electric needs.
- 10. OPERATIONS REPORT.** The Board considered the operations and maintenance, engineering and safety report of 07/20/2012 prepared by LINE SUPERINTENDENT DALE RIKALA. RIKALA reported that to date 361 new poles have been set with 313 retired and of those, 273 were junked. The 07/25/2012 safety meeting covered work ethics, Safety Jeopardy 2 and backing accident prevention presented by MECA's JOHNNIE STANTON.
- 11. APPROVAL OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 529-529X for \$13,587.43 and No. 529-529X(A) for \$4,972.98 ending June 30, JOE DIRKSON moved their approval. PAUL DESCHEEMAER seconded the motion, which carried unanimously. Expenses were for system improvements, pole changes and pole inserts.
- 12. REPORT OF LEGAL COUNSEL.** CORPORATE COUNSEL SPOJA reported that he edited several letters for management and reviewed bylaws.
- 13. BOARD POLICY 102.0 – FUNCTIONS OF THE BOARD OF TRUSTEES.** Language covering the duties of a board assistant secretary-treasurer was added to Policy 102.0. TERRY FROST moved to approve the additional language and DAVID DOVER seconded the motion which carried unanimously. A copy of the policy is attached.
- 14. MANAGER'S REPORT.** MANAGER SWEENEY covered 1) the Signal Peak coal mine, 2) the Advisory Committee, 3) Energy Telecommunications Interim Committee (Alan Olson), 4) Southern bankruptcy, 5) Tongue River Electric Cooperative Annual Meeting, and 6) suspending work on trying to maintain ownership of the Highwood Generating Station.

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

16. **WINNETT TRANSMISSION LINE.** MANAGER SWEENEY reported that the Winnett transmission line is staked and the cooperative will soon be ready to solicit bids for the project. TERRY FROST moved to bid the 25-mile Winnett transmission line. MIKE VLASTELIC seconded the motion which carried unanimously. Discussion on the project will continue at the August meeting.

17. **MECA SUMMER BOARD, SIDNEY.** MIKE VLASTELIC, SCOTT SWEENEY, BOB EVANS and PAUL DESCHEEMAERKER attended the July 10-11 meeting in Sidney. They all agreed that the Bakken Oil Field Development Area tour was very interesting.

18. **DELINQUENT ACCOUNTS.** The Board reviewed the delinquent account list prepared by ERIKA MATTALIANO.

19. **SECOND QUARTER BAD DEBT WRITE-OFF.** After a brief discussion, PAUL DESCHEEMAERKER moved to approve writing off \$1,013.97 in bad debt and to continue collection procedures outlined in board policy. JASON SWANZ seconded the motion which carried unanimously. A copy is attached.

20. **FUTURE MEETINGS.** Safety Meeting, Pole Top Rescue, Testing Personal Tools & Ladders, Aug. 22
Member Advisory Committee, Aug. 23, 7 p.m.
FEC Board, August 30, 9 a.m.
NWPPA Board, Anchorage, Sept. 5, 6, 7
ETIC, Helena, Sept. 7
Website Committee, Sept. 20
FEC Board, Sept. 27, 9 a.m.
MECA Annual, Oct. 2, 3, 4

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

22. **MEETING ADJOURNED.** With no further business to come before the Board, PRESIDENT BOB EVANS adjourned the general meeting at 3:40 p.m.

SECRETARY Terry Frost

ATTEST:

PRESIDENT Bob Evans