

**MINUTES  
GENERAL BOARD MEETING  
JUNE 28, 2012  
FERGUS ELECTRIC COOPERATIVE, INC.**

1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session June 28, 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 DESCHEEMAERKER, 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.** TERRY FROST moved to approve the agenda. MIKE VLASTELIC seconded the motion which carried unanimously.
3. **APPROVAL OF MINUTES OF PREVIOUS MEETINGS.** After reviewing the minutes of the May 31, 2012 general meeting and discussing them, PAUL DESCHEEMAERKER moved their approval. JASON SWANZ seconded the motion which carried unanimously. After reviewing the minutes of the June 6 special meeting, MIKE VLASTELIC moved to approve them. JOE DIRKSON seconded the motion which carried unanimously. Upon a review of the June 6 reorganization meeting, PAUL DESCHEEMAERKER moved their approval. DAVID DOVER 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. No member appeared at this meeting.
5. **ROUNDUP FIRE.** LINE SUPERINTENDENT DALE RIKALA reported to the Board that there were no signals from 135 Turtle® meters. He also noted that approximately 115 structures had burned which included 65 homes. So far, he didn't have an estimate of the number of poles destroyed. Crews from Lewistown and Roundup were working the area.
6. **ANNUAL MEETING EVALUATIONS.** A summary of the annual meeting evaluations was reviewed by MANAGER SWEENEY. Generally, the membership was pleased with the proceedings. The "too long" comment came up several times and it was suggested that a short break take place halfway through the meeting. SWEENEY felt that the website demonstration went very well.
7. **MEMBER ADVISORY COMMITTEE.** The fourth meeting of the Advisory Committee took place June 21, 2012 from 7 – 8:20 p.m. JASON SWANZ, VANGIE McCONNELL and SCOTT SWEENEY were also present. Topics covered included Southern bankruptcy, Tri-State G & T, automated telephone notification, annual meeting evaluations, and Big Skylights. The committee's next meeting will be Aug. 23 at 7 p.m.
8. **SENATOR JIM PETERSON.** SENATE PRESIDENT JIM PETERSON of Senate District 15 visited with the Board and Management on issues of interest to both which included 2013 legislation that might impact cooperatives. PETERSON also shared interesting facts from the World Water Conference he attended in Marseilles, France. Concerns, in order of importance, included 1) water, 2) food, and 3) energy. One-third of the world's population lives in slums and one-half of these wonder if they will get a fresh drink of water. Montana has the most river headwaters in the U.S. and the Judith Gap wind farm (operating 65% of the time) is one of the most efficient wind farms in the U.S. By 2030, 80% of Montana's population will live in seven cities.
9. **FERGUS ELECTRIC'S BANKRUPTCY ATTORNEY.** The Board participated in a conference call with JOHN PAUL. JOHN PAUL updated the Board on the southern bankruptcy and will be filing all claims that Fergus Electric has with Southern by July 16.
10. **HIGHWOOD GENERATING STATION STUDY.** After discussion, the Board felt Fergus Electric is not inclined to continue with RANDY BOYSUN's study outlining the purchase of the Highwood Generation Station. MIKE VLASTELIC moved that Fergus Electric suspend any further participation in study of an assumption of ownership in the Highwood Generation Station. DAVID DOVER seconded the motion which carried unanimously. BOYSUN thanked the cooperative commenting it's a good group with which to work. MANAGER SWEENEY will write to Tongue River about Fergus Electric Cooperative's intentions.
11. **CAPITAL CREDIT ESTATE RETIREMENTS.** The Board reviewed the June capital credit estate retirements for \$17,439.31 prepared by SUSAN HINKLEY. TERRY FROST moved to affirm the retirements and JOE DIRKSON seconded the motion which carried unanimously. A copy is attached.
12. **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 May 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.

13. **APPROVAL OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 528-528X for \$89,475.26 and 528-528X(A) for \$730.49 ending May 31, TERRY FROST moved their approval. JOE DIRKSON seconded the motion, which carried unanimously. \$19,019 was for system improvements and \$67,524 was for pole changes.

14. **OPERATIONS REPORT.** The Board considered the operations and maintenance, engineering and safety report of 06/20/2012 prepared by STAKING ENGINEER GUY JOHNSON. JOHNSON reported that, to date, 244 new poles have been added and 225 old poles have been retired of which 119 were junked. The June 12 safety meeting started with a presentation on colorectal cancer awareness presented by JEAN RAW of Central Montana Cancer Control Programs. JOHNNY STANTON from MECA led a discussion on lineman work ethics, backing accident prevention and safety rules presented in a Jeopardy format.

15. **POWER OUTAGE REPORT.** MANAGER SWEENEY and the Board reviewed a report covering power interruptions for January through May by VANGIE McCONNELL. The majority of power interruptions were scheduled.

16. **REPORT OF LEGAL COUNSEL.** CORPORATE COUNSEL SPOJA reported that he had reviewed the resolution authorizing the amendment of the 401(K) Pension Plan Adoption Agreement "A". He also worked on a letter to the Montana Highway Department, on bankruptcy issues, and on capital credits.

17. **MANAGER'S REPORT.** MANAGER SWEENEY covered the following: Signal Peak coal mine, ETIC hearing, Southern Montana, Highwood Generating Station, high loads, auditor's itemized invoice, N Bar Ranch, and CFC loan.

18. **MAIL IN/ABSENTEE BALLOTS.** Discussion covered the pros and cons of mail in and absentee ballots. If the cooperative decides to change its voting procedures, it is something that would need to be presented to the membership, for their consideration, at the 2013 annual meeting. Discussion will continue.

19. **AMENDMENT OF THE 401(K) PENSION PLAN ADOPTION AGREEMENT "A".** After a brief explanation, JASON SWANZ moved to approve the amendment to the 401(K) Pension Plan Adoption Agreement and Addendum No. 10 – Special Employer Base Contribution which continues until rescinded by action of the Board. PAUL DESCHEEMAEKER seconded the motion which carried unanimously. Copies are attached.

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

21. **FUTURE MEETINGS.** MECA Summer Board, Sidney, July 10-11  
Tongue River Annual Meeting, July 14  
Safety Meeting, Work Ethics, Safety Jeopardy 2, Backing Accident Prevention, MECA's Johnnie Stanton, July 25  
FEC Board, July 25, 9 a.m.  
Member Advisory Committee, Aug. 23  
FEC Board, August 30, 9 a.m.  
Website Committee, Sept. 20

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

23. **MEETING ADJOURNED.** With no further business to come before the Board, PRESIDENT BOB EVANS adjourned the general meeting at 3:20 p.m.

SECRETARY Terry W Frost  
ATTEST:  
PRESIDENT Robert D Evans