

**MINUTES – GENERAL BOARD MEETING
JUNE 25, 2014
FERGUS ELECTRIC COOPERATIVE, INC.**

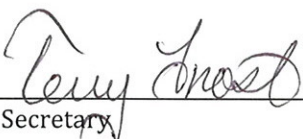
- 1. GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session June 25, 2014 with PRESIDENT BOB EVANS calling the meeting to order at 9 a.m. TERRY FROST was secretary and VANGIE McCONNELL was scrivener. Other board members present were PAUL DESCHEEMAEKER, 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, MIKE VLASTELIC moved to approve it. TERRY FROST seconded the motion, which carried unanimously.
- 4. APPROVAL OF MINUTES OF PREVIOUS MEETINGS.** After reviewing the minutes of the April 24, 2014 general meeting, JOE DIRKSON moved to approve them. PAUL DESCHEEMAEKER seconded the motion, which carried unanimously. JASON SWANZ moved to approve the June 5, 2014 special meeting minutes and MIKE VLASTELIC seconded the motion. The motion carried unanimously. MIKE VLASTELIC moved to approve the June 5, 2014 reorganization meeting minutes. JOE DIRKSON seconded the motion which carried unanimously. The June 5, 2014 Annual Meeting minutes were reviewed.
- 5. BEARTOOTH MEDIATION DISCUSSION.** MANAGER SWEENEY led a short discussion in regard to the Beartooth mediation set for July 16 in Billings.
- 6. PRECORP BOARD.** PRESIDENT BOB EVANS, MANAGER SCOTT SWEENEY and TRUSTEE MIKE VLASTELIC reported on the PRECorp board meeting that took place in Sheridan, Wyoming June 16 and 17. Representatives from Big Horn Electric, Tongue River, Mid Yellowstone and Beartooth were also present. They reported on discussion about Innovative Energy Alliance (IEA) which is a group of four electric co-ops joining together and managed by two CEO's. Fergus Electric's representatives agreed that it was an interesting concept.
- 7. SOUTHERN BANKRUPTCY DISCUSSION.** Via a conference call, the Board discussed Southern bankruptcy issues with Fergus Electric's bankruptcy attorneys BOB BALDWIN, TRENT GARDNER and JOHN PAUL.
- 8. HIGHWOOD GENERATING STATION.** Some discussion covered disposing of the Southern and SME land that is near the generating station.
- 9. REPORT OF LEGAL COUNSEL.** COUNSELOR KRIS BIRDWELL noted that capital credit language will be updated.
- 10. 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 May operating report prepared and reviewed by OFFICE MANAGER SALLY HORACEK and the analysis of operating statistics prepared by FINANCIAL ANALYST JANINE RIFE DIDIER.
- 11. RUS PROMISSORY NOTE EXTENSION.** MANAGER SWEENEY noted that the request for an extension of the previously established RUS Future Advance Promissory Note dated June 1, 2009 had been approved with language that the extension should not exceed June 1, 2015.



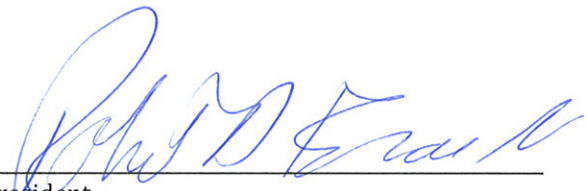
12. **OPERATIONS REPORT.** The Board considered the operations and maintenance, engineering and safety report of June 20, 2014 prepared by LINE SUPERINTENDENT DALE RIKALA. RIKALA reported that, to date 17 new meters have been installed. He also noted that 85 new poles have been added of which 83 were retired and 78 were junked. This compares to 28 new meters and 205 junk poles in 2013. The June 25 safety meeting included pole top and bucket truck rescue along with Mayday Protocol.
13. **APPROVAL OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 552-552X for \$76,100.71 and 552-552X (A) for \$4,985.73 ending May 31, 2014, TERRY FROST moved their approval. JASON SWANZ seconded the motion, which carried unanimously.
14. **POWER OUTAGE REPORT.** MANAGER SWEENEY and the Board reviewed the report covering power interruptions for January through May prepared by VANGIE McCONNELL.
15. **ACCEPT CORPORATE COUNSEL ENGAGEMENT LETTER.** The Board met in an executive session to discuss with ATTORNEY KRIS BIRDWELL the terms of an attorney-client relationship with Fergus Electric for the provision of legal services. When the Board continued with the general meeting, PAUL DESCHEEMAERKER moved to approve the Attorney Engagement Agreement. JASON SWANZ seconded the motion which carried unanimously.
16. **SOUTHERN BOARD AND MEETING REPRESENTATIVES.** After discussion, JOE DIRKSON moved to sign a resolution reaffirming DAVID DOVER and JASON SWANZ to be Fergus Electric's representatives on the Southern Board of Trustees and to vote for and on behalf of Fergus Electric at any Southern meeting and to execute necessary documents or resolutions. MIKE VLASTELIC seconded the motion, which carried unanimously. A copy is attached.
17. **ANNUAL MEETING EVALUATIONS.** SALLY HORACEK reviewed the evaluations collected at the annual meeting June 5. The responses were positive and YOUTH TOUR REPRESENTATIVE DANIEL LURIE's report received high praise.
18. **MANAGER'S REPORT.** MANAGER SWEENEY updated the Board on load factors regarding the Signal Peak Coal Mine and the Express Pipeline. The load factor for the 100 kV sub was 66.4% for April and the total load factor of the 50kV and 100kV combined was 65.1%. The load factor for the Express Pipeline was 40.2%. SWEENEY also noted that the 25 miles of 69kV transmission line from Winnett Junction to Winnet is nearly complete. PRESIDENT EVANS volunteered to attend the next Member Advisory Committee set for July 23.
19. **MECA MANAGER'S MEETING.** GENERAL MANAGER SWEENEY gave a brief report on the meeting that took place in Billings June 18-19. Some of the topics covered were: base charges, stockwell rates, Smart Meters®, prepaid metering, tree trimmers training, and equipment for linemen.
20. **ESTATE CAPITAL CREDIT RETIREMENTS.** The Board reviewed the June 2014 estate capital credit retirements of \$16,191.56 prepared by SUSAN HINKLEY. TERRY FROST moved to affirm the retirements and JASON SWANZ seconded the motion, which carried unanimously. A copy is attached.
21. **CERTIFICATION.** PRESIDENT EVANS presented PAUL DESCHEEMAERKER with a certificate of achievement for completing, "Roberts Rules of Order" at the NWPPA Annual Meeting in Billings May 18-22.
22. **FUTURE MEETINGS.** MECA Board, Billings, July 8-9
Safety; Flagger Certification/Traffic Control; OSHA 1910.269; July 16

Beartooth Mediation, July 16
Member Advisory Committee, July 23, 7 p.m.
FEC Board, July 31, 9 a.m.
PRECorp Annual, Moorcroft, Wyoming, Aug. 23
FEC Board, Aug. 28, 9 a.m.

23. **NEWS FROM THE DISTRICTS.** Each director shared items of interest to the Board.
24. **ADJOURN.** With no further business, the meeting was adjourned by PRESIDENT EVANS at 2:45 p.m.



Secretary

ATTEST: 

President