

**MINUTES – GENERAL BOARD MEETING
OCTOBER 31, 2014
FERGUS ELECTRIC COOPERATIVE, INC.**

1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session October 31, 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 DESCHEEMAER, 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. JOE DIRKSON seconded the motion, which carried unanimously.
4. **APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of the September 25, 2014 general meeting, TERRY FROST moved to approve them. JASON SWANZ seconded the motion, which carried unanimously.
5. **SOUTHERN MONTANA.** DAVID DOVER, JASON SWANZ and SCOTT SWEENEY reported on the October 21 and October 29 Southern meetings noting that discussion covered the possibility of doing an audit, reviewed the amortization schedule for the loan which is expected to be paid off in 2016, and to get the Mehmke property adjacent to the Highwood Generating Station sold.
6. **SOUTHERN BANKRUPTCY DISCUSSION.** The Fergus Electric Board and Management joined a teleconference call with attorneys TRENT GARDNER, BOB BALDWIN and JOHN PAUL to discuss the Beartooth Electric mediation issue. Three items to be considered were: Southern's reserve fund, Southern's A & G costs, and WAPA power. Also discussed was the chain link fence around the Highwood Generating Station that is not built along the property line.
7. **POWDER RIVER ENERGY CORPORATION.** BOB EVANS and MIKE VLASTELIC reported on the PRECorp board meeting that took place October 20-21 in Sundance, Wyoming.
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 September 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 October 27, 2014 prepared by LINE SUPERINTENDENT DALE RIKALA. RIKALA reported that, to date, 65 new meters have been installed. He also noted that 671 new poles have been added and 513 were retired of which 424 were junked. The October safety meeting is rescheduled for November 10.
10. **APPROVAL OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 556-556X for \$80,982.37 and 556-556X (A) for \$3,381.43 ending September 30, 2014, JOE DIRKSON moved their approval. TERRY FROST seconded the motion, which carried unanimously.
11. **LEGAL COUNSEL.** CORPORATE COUNSEL KRIS BIRDWELL reviewed the circumstances regarding linemen being threatened with a weapon when attempting to make a disconnect. Discussion followed.

12. **BOARD MEMBER CRITERIA.** A short discussion covered trustee election qualifications.
13. **SIGNAL PEAK COAL MINE AND EXPRESS PIPELINE.** MANAGER SWEENEY reported that the coal mine had a total load factor of 56.1 and the pipeline had a combined load factor of 47.8%.
14. **MEMBER ADVISORY COMMITTEE.** MANAGER SWEENEY noted that topics that will be reviewed at the November 20 meeting and that TRUSTEE JASON SWANZ will attend. SWEENEY and the Board discussed talking to the advisory committee about discontinuing meetings for a time.
15. **BASIN ELECTRIC POWER COOPERATIVE.** MANAGER SWEENEY noted that Basin Electric's annual meeting is set for November 4 - 6 in Bismarck. After discussion, SCOTT SWEENEY, PAUL DESCHEEMAER and BOB EVANS agreed to attend the meeting. It was the consensus of the Board that it would be a good opportunity to visit with PRECorp and Basin representatives.
16. **LEWISTOWN CHAMBER OF COMMERCE.** MANAGER SWEENEY reported that Fergus Electric made a contribution to help with installing power to the new loading station for the Charlie Russell Chew Choo Dinner Train.
17. **MECA LEGISLATIVE DINNER.** So that MECAs GARY WEINS can present information on issues that are important to Montana's rural electric cooperatives, three legislators will be invited to the next board meeting. SENATOR BRAD HAMLET from Cascade has been invited and the winners of the November 4 election RYAN OSMUNDSON/DAN SIMPSON, and BILL HARRIS/RON MOODY races will be invited.
18. **CFC PROPOSAL.** Fergus Electric has loans with RUS with a 5% interest rate. CFC is proposing that the cooperative refinance this debt with CFC at a lower rate. MANAGER SWEENEY said staff will investigate and if CFC can offer a sizeable savings, a proposal will be presented at the November board meeting.
19. **MEETING REPORTS.** NRECA Board Course 966.1 September 29 was attended by PAUL DESCHEEMAER and TERRY FROST. Both agreed that it was a very useful course.
20. **MECA ANNUAL MEETING.** MIKE VLASTELIC and SCOTT SWEENEY reported on the September 30 - October 2 meeting in Great Falls. BRENT McRAE was re-elected president, DEEDEE ISAACS was re-elected vice-president and LEONARD SIVUMAKI was re-elected secretary-treasurer. Distributive generation and sage grouse legislation were major topics.
21. **NRECA REGION 9.** MIKE VLASTELIC reported on the October 15-16 meeting in Omaha. Distributive generation was a major topic.
22. **ESTATE CAPITAL CREDIT RETIREMENTS.** The Board reviewed the October 29 estate capital credit retirements of \$19,728.21 prepared by SUSAN HINKLEY. DAVID DOVER moved to affirm the retirements and PAUL DESCHEEMAER seconded the motion, which carried unanimously. A copy is attached. Delinquent accounts and new members were also reviewed.
23. **THIRD QUARTER WRITE-OFF.** JASON SWANZ moved to write off \$916.48 in bad debt and to continue with collection procedures as outlined in Board Policy. PAUL DESCHEEMAER seconded the motion, which carried unanimously. A copy is attached.

25. FUTURE MEETINGS.

Basin Annual, Bismarck, Nov. 4-6
Safety: Cold and Hot Weather Exposure, Stress Management and Wellness, Nov. 10
PRECorp, Gillette, Nov. 18
Member Advisory Committee, Nov. 20, 7 p.m. (Jason)
FEC Board, Nov. 25, 9 a.m.
MECA Board and Banquet, Great Falls, Dec. 2-3
PRECorp, Sheridan, Dec. 16
FEC Board, Dec. 19, 1 p.m.
Christmas Dinner, Pine Meadows/Brooks Market, Dec. 19

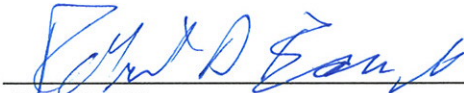
26. NEWS FROM THE DISTRICTS. Each trustee shared items of interest to the Board.

27. ADJOURN. With no further business, the meeting was adjourned by PRESIDENT EVANS at 3 p.m.



SECRETARY

ATTEST:



PRESIDENT