

**MINUTES  
GENERAL BOARD MEETING  
SEPTEMBER 26, 2012  
FERGUS ELECTRIC COOPERATIVE, INC.**

1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session September 26, 2012 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 JOE DIRKSON, DAVID DOVER, PAUL DESCHEEMAEKER, 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.** PAUL DESCHEEMAEKER moved to approve the agenda. MIKE VLASTELIC seconded the motion which carried unanimously.
3. **APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of the August 29, 2012 general meeting and discussing them, DAVID DOVER moved their approval. JASON SWANZ 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 one attended.
5. **BASIN ELECTRIC POWER COOPERATIVE.** Fergus Electric Cooperative Board and Management, in a conference call on September 17, expressed interest in the possibility of Basin becoming a wholesale power supplier for Fergus Electric. A follow-up letter (attached) shows an expression of interest.
6. **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 August operations report prepared by SALLY HORACEK, the analysis of operating statics prepared by MIKE STANLEY, and the new member list prepared by ERIKA MATTALIANO. Other topics were also discussed.
7. **CAPITAL CREDIT ESTATE RETIREMENTS.** The Board reviewed the September capital credit estate retirements for \$12,087.01 prepared by SUSAN HINKLEY. MIKE VLASTELIC moved to affirm the retirements and DAVID DOVER seconded the motion which carried unanimously. A copy is attached.
8. **CONFERENCE CALL WITH ATTORNEY JOHN PAUL.** A lengthy discussion with ATTORNEY JOHN PAUL took place in regard to the Southern Montana bankruptcy. PAUL said his goal is to work with the Board to protect and minimize any future debt on Fergus Electric from the bankruptcy.
9. **OPERATIONS REPORT.** Upon receiving the operations and maintenance, engineering and safety report of 09/20/2012 prepared by LINE SUPERINTENDENT DALE RIKALA by mail, the Board reviewed the report prior to the meeting. RIKALA reported that, to date, 485 new poles have been set with 428 retired and of those, 379 were junked. The 09/20/2012 safety meeting included a benefit update by NRECA FIELD REP MIKE STIFF. ERIKA MATTALIANO and MONTE OBERT instructed the crews on the use of the new computer software and mapping system.
10. **APPROVAL OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 531-531X for \$25,732.96 and No. 531-531X(A) for \$1,171.96 ending August 31, JASON SWANZ moved their approval. TERRY FROST seconded the motion, which carried unanimously. Expenses were for system improvements, pole changes and pole inserts.
11. **CONFERENCE CALL WITH BASIN ELECTRIC POWER COOPERATIVE REPRESENTATIVES.** The Board and Management visited with BASIN REPRESENTATIVES DAVE RAATZ and CLAIRE OLSON regarding a proposal to serve as Fergus Electric's wholesale power supplier. The conference call lasted about 30 minutes – allowing ample time for questions.
12. **REPORT OF LEGAL COUNSEL.** CORPORATE COUNSEL SPOJA reported that he worked on capital credits, reviewed wholesale power supply proposals and SME bankruptcy issues.
13. **SME SPECIAL MEETING.** SME DIRECTOR and SECRETARY JOE DIRKSON signed documents notifying the cooperative of a special SME meeting set for Friday, October 5, 2012 at 10 a.m. at the Big Horn Resort in Billings.
14. **POWDER RIVER ELECTRIC CORPORATION.** MANAGER SWEENEY along with trustees PAUL DESCHEEMAEKER, TERRY FROST, DAVID DOVER and BOB EVANS met with PRECorp in Sheridan, Wyoming on Aug. 20 to listen to a proposal to serve as Fergus Electric's wholesale power supplier.
15. **WHOLESALE POWER.** The board discussed, at length, a variety of wholesale power proposals.

16. **BEARTOOTH ELECTRIC ANNUAL.** MANAGER SWEENEY reported that, along with PAUL DESCHEEMAER and SALLY HORACEK, he had attended the Beartooth annual meeting on Sept. 22. Fergus Electric representatives were interested in Beartooth's process for mail-in ballots. Former Fergus Electric manager RICHARD PECK is interim manager at Beartooth.

17. **HIGH LOADS.** MANAGER SWEENEY noted that the high loads moving through Montana to the oil sands in Canada will continue through November. Phone notifications are sent to the members affected by power interruptions. The manufacturing companies have pre-paid for any work the cooperative has done in regard to the moves.

18. **ROUNDUP WILSON FIRE.** MANAGER SWEENEY reported that part of the South Roundup Sub lost power over the past weekend and ASSISTANT LINE SUPERINTENDENT DON CRISWELL reported that three poles had burned. He also reported that DNRC had released the contract fire fighters that were hired to fight the Wilson fire southeast of Roundup that had destroyed 3600 acres.

19. **NWPPA BOARD, ANCHORAGE.** DAVID DOVER, a Montana representative on the NWPPA Board of Directors, reported on the Sept. 5-7 meeting. He noted that there would be a proposed four percent increase in dues in each of the next three years. He also told the board that Northwest River Partners is airing prime time TV ads promoting hydro dams in the northwest.

20. **ENERGY AND TELECOMMUNICATIONS INTERIM COMMITTEE (ETIC).** MANAGER SWEENEY reported on the most recent ETIC meeting in Helena Sept. 7.

21. **BANKRUPTCY HEARING.** MANAGER SWEENEY reported on the bankruptcy hearing which took place in Billings Sept. 25.

22. **WIND ENERGY.** MANAGER SWEENEY, STAKING ENGINEER GUY JOHNSON and WORK ORDER CLERK JANINE RIFE DIDIER met with NS2 Wind Energy representatives TERRY HOLZER and RICHARD HOARE to discuss a potential 20MW wind farm near Winnett Junction.

23. **DELINQUENT ACCOUNTS.** The Board reviewed the delinquent account list, dated 09/26/2012, prepared by ERIKA MATTALIANO.

24. **FUTURE MEETINGS.**

NRECA Course 914.1 – Cooperative Communications and Public Opinion:

The Directors Perspective, Great Falls Oct. 1

MECA Annual and Today's Member Program, Oct. 2, 3, 4

SME, Big Horn Resort, Billings, Oct. 5

NRECA Course 2630.1 – Strategic Planning, Salt Lake City, Oct. 9

NRECA Region 7&9/CFC, Salt Lake City, Oct. 9-11

Big Flat annual Meeting, Malta, Oct. 13

MECA Legislative Dinner, Lewistown, Oct. 16

Safety Meeting, Tina Berg – Hearing safety and CPR/First Aid/ Bloodborne Pathogens, Oct. 17

Member Advisory Committee, Oct. 18, 7 p.m.

FEC Board, Oct. 24, i-Pad Training 9 a.m., Board Meeting, 10 a.m., Invite SENATOR ALAN OLSON

FEC Board, Nov. 29

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

26. **MEETING ADJOURNED.** With no further business to come before the Board, PRESIDENT BOB EVANS adjourned the general meeting at 5 p.m.

SECRETARY Terry Lind

ATTEST:

PRESIDENT John M. Evans