

**MINUTES - GENERAL BOARD MEETING  
DECEMBER 20, 2013  
FERGUS ELECTRIC COOPERATIVE, INC.**

1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session December 20, 2013 with PRESIDENT BOB EVANS calling the meeting to order at 12:15 p.m. TERRY FROST was secretary and VANGIE McCONNELL was scrivener. Other board members present were PAUL DESCHEEMAEKER, JOE DIRKSON, DAVID DOVER, JASON SWANZ, and MIKE VLASTELIC. CORPORATE COUNSEL WILLIAM A SPOJA, GENERAL MANAGER SCOTT SWEENEY and OFFICE MANAGER SALLY HORACEK 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, TERRY FROST moved to approve it. MIKE VLASTELIC seconded the motion, which carried unanimously.
4. **APPROVAL OF MINUTES OF PREVIOUS MEETINGS.** After reviewing the minutes of the November 26, 2013 general meeting, PAUL DESCHEEMAEKER moved to approve them. JASON SWANZ seconded the motion, which carried unanimously. After reviewing the minutes of the November 27, 2013 conference call meeting, JOE DIRKSON moved to approve them. MIKE VLASTELIC seconded the motion, which carried unanimously. After reviewing the December 12, 2013 conference call minutes, JASON SWANZ moved to approved them. TERRY FROST seconded the motion, which carried unanimously.
5. **EXECUTIVE SESSION - GENERAL MANAGER'S ANNUAL REVIEW.** An executive session was called for MANAGER SCOTT SWEENEY'S annual review at 1 p.m. The general meeting continued at 2 p.m.
6. **RATIFY DISCUSSION DURING EXECUTIVE SESSION.** MIKE VLASTELIC moved to approve the salary offered to GENERAL MANAGER SCOTT SWEENEY for the forthcoming year. JOE DIRKSON seconded the motion, which carried unanimously.
7. **ESTATE CAPITAL CREDIT RETIREMENTS.** The Board reviewed the December 2013 estate capital credit retirements for \$3,645.22 prepared by SUSAN HINKLEY. JOE DIRKSON moved to affirm the retirements and PAUL DESCHEEMAEKER seconded the motion, which carried unanimously.
8. **APPROVAL OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 546-546X for \$146,200.93 and 546-546X(A) for \$6,235.87 ending November 30, 2013, JOE DIRKSON moved their approval. DAVID DOVER seconded the motion, which carried unanimously.
9. **SOUTHERN BANKRUPTCY CONFERENCE CALL.** ATTORNEYS BOB BALDWIN, TRENT GARDNER and JOHN PAUL discussed Southern Montana Bankruptcy issues in an executive session. The Board came out of the executive session and three resolutions suggested by the bankruptcy attorneys relative to creditors were approved. TERRY FROST moved to approve the resolutions and MIKE VLASTELIC seconded the motion, which carried unanimously. Copies of the resolutions are attached. PRESIDENT EVANS also wrote a letter to the Southern Board to be included with the resolutions noting that Fergus Electric desires Southern to pursue liquidation rather than reorganization. Fergus Electric is also open to mediation.
10. **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 November operating report prepared and reviewed by SALLY HORACEK, the analysis of operating statistics prepared by JANINE RIFE DIDIER and reviewed by MANAGER SWEENEY, and the new member list and delinquents prepared by ERIKA MATTTALIANO.



11. **FEDERATED RURAL ELECTRIC INSURANCE EXCHANGE.** OFFICE MANAGER SALLY HORACEK reported that the new premium for Fergus Electric's liability insurance with Federated is \$94,012.00.
12. **OPERATIONS REPORT.** The Board considered the operations and maintenance, engineering and safety report of 12/13/2013 prepared by LINE SUPERINTENDENT DALE RIKALA. RIKALA reported that, to date, 94 new meters have been installed. He also noted that 515 new poles were added and 562 were retired of which 518 were junked. The December 11 safety meeting covered wellness with a presentation by EXTENSION AGENT DENISE SEILSTAD on Healthy Eating during the Holiday Season. The meeting also included a guest speaker from the Montana Department of Transportation.
13. **POWER OUTAGE REPORT.** MANAGER SWEENEY and the Board reviewed a report covering power interruptions for January through November prepared by VANGIE McCONNELL.
14. **EXTENSION OF RUS LOAN.** MANAGER SWEENEY reported that he had not heard from RUS in regard to a resolution requesting a one year extension of the "AB8" Loan. He will contact RUS FIELD REPRESENTATIVE DENVER SCHLAEPPPI if he doesn't hear something soon.
15. **REPORT OF LEGAL COUNSEL.** LEGAL COUNSEL BILL SPOJA reported he had worked on a variety of bankruptcy issues.
16. **SIGNAL PEAK LLC.** MANAGER SWEENEY reported that Signal Peak plans to move the long-wall miner January 15, 2014, which will cause the mine to shut down for 35 days.
17. **SOUTH MOCCASIN MOUNTAIN UNDERGROUND PROJECT.** MANAGER SWEENEY reported that the underground (work order #344074) for South Moccasin Mountain is completed and the cost of \$139,760 for the project is noted in the 11/2013 RUS Form 219 close-out #546-546X. The project resulted in replacing 5.18 miles of overhead line with 4.63 miles of underground line.
18. **SOUTHERN INTERIM MANAGER.** With FERGUS ELECTRIC MANAGER SCOTT SWEENEY appointed interim manager for Southern Montana; the Board discussed a salary suggestion, which will be presented to the Southern Board of Trustees.
19. **BASIN ELECTRIC CONFERENCE CALL.** MANAGER SWEENEY noted that he had participated in a conference call with ANDREW SERRI, DAVID RAATZ and CLAIR OLSON of Basin Electric, and MIKE EASLEY and LES PENNING of PRECorp. Some discussion covered Southern Montana's G & T's Chapter 11 bankruptcy filing.
20. **FUTURE MEETINGS.**  
 Christmas Dinner, Pine Meadows (Elks Club), Dec. 20  
 MECA Board, Jan. 7-8  
 Member Advisory Committee, Jan.23, 7 p.m.  
 FEC Board, Jan. 30, 9 a.m.  
 FEC Board, Feb. 27, 9 a.m.
21. **NEWS FROM THE DISTRICTS.** Each director shared items of interest to the Board.
22. **ADJOURN.** With no further business to come before the Board, PRESIDENT EVANS adjourned the general meeting at 4:40 p.m..

SECRETARY *Tony Frost* ATTEST: PRESIDENT *David Brown VP*