

**MINUTES  
GENERAL BOARD MEETING, AUGUST 4, 2022  
FERGUS ELECTRIC COOPERATIVE, INC.**

1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session August 4, 2022, with PRESIDENT PAUL DESCHEEMAER calling the meeting to order at 10:02 a.m. JANINE RIFE DIDIER was scrivener. Board members in attendance were BRAD ARNTZEN, BOB EVANS, CATHY KOMBOL, BRETT MAXWELL, JASON SWANZ, and TERRY FROST. Other attendees included GENERAL MANAGER CARSON SWEENEY, LINE SUPERINTENDENT DALE RIKALA, OFFICE MANAGER SALLY HORACEK and CORPORATE COUNSEL KRIS BIRDWELL. The attendees recited the Pledge of Allegiance.
2. **APPROVAL OF AGENDA.** After reviewing the meeting agenda, BRETT MAXWELL moved to approve it. BRAD ARNTZEN seconded the motion, which carried unanimously.
3. **APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of the May 18, 2022, general meeting and discussing them, BRETT MAXWELL moved their approval. JASON SWANZ seconded the motion, which carried unanimously.
4. **APPROVAL OF MINUTES OF REORGANIZATION MEETING.** After reviewing the minutes of the June 9, 2022, reorganization meeting and discussing them, JASON SWANZ moved their approval. TERRY FROST seconded the motion, which carried unanimously.
5. **APPROVAL OF SPECIAL CONFERENCE CALL MEETING.** After reviewing the minutes of the June 23, 2022, special conference call meeting and discussing them, BRETT MAXWELL moved their approval. BOB EVANS seconded the motion, which carried unanimously.
6. **ANNUAL MEETING MINUTES REVIEW.** The Board of Directors reviewed the minutes of the June 9, 2022, annual meeting and discussed them. The minutes will be reviewed and approved by the membership during the June 2023 annual meeting.
7. **PUBLIC COMMENT PERIOD.** No one from the public appeared.
8. **EMPLOYEE PICNIC/BOARD MEETING - AUGUST 24.** GENERAL MANAGER SWEENEY proposed scheduling the next board meeting and an employee picnic on August 24<sup>th</sup>. After seeing no conflict with the date, the Board recommended MANAGER SWEENEY proceed with scheduling and organizing both gatherings.
9. **NRECA REGION 9 MEETING ATTENDANCE/REGISTRATION SEPTEMBER 27-29, PORTLAND, OREGON.** GENERAL MANAGER CARSON SWEENEY reported that voting delegates will be chosen at the August 24<sup>th</sup> board meeting.
10. **MECA ANNUAL MEETING ATTENDANCE/REGISTRATION - OCTOBER 4-5, GREAT FALLS, MONTANA.** GENERAL MANAGER CARSON SWEENEY reviewed the previous year's voting delegates for the MECA Annual Meeting.
  - A. **MECA ANNUAL MEETING VOTING DELEGATES.** After a brief discussion BRETT MAXWELL moved to appoint BRAD ARNTZEN as voting delegate and CATHY KOMBOL as alternate at the MECA Annual Meeting. TERRY FROST seconded the motion, which carried unanimously.
  - B. **MECA BOARD VOTING DELEGATES.** After a brief discussion, BOB EVANS moved to appoint TERRY FROST to the MECA board representing Fergus Electric Cooperative, Inc., and CATHY KOMBOL as alternate. BRAD ARNTZEN seconded the motion, which carried unanimously.
11. **ACRE AUCTION.** After a brief discussion, OFFICE MANAGER SALLY HORACEK offered to pursue some suggested ideas to get items for the upcoming auction.

**12. FINANCIAL AND OTHER MONTHLY REPORTS.** Financial and other monthly reports were presented to the Board for discussion.

A. **FORM 7. OFFICE MANAGER SALLY HORACEK** reviewed the May 31, 2022, and June 30, 2022, operating reports.

i. **WEIGHTED AVERAGE.** OFFICE MANAGER SALLY HORACEK provided the board with a report showing 7.49 as the 2021 weighted average cost of capital to pay off members' bad debt and the proposed amount of 4.25 for 2022. After a brief discussion, TERRY FROST moved to approve the 4.25 weighted average cost of capital to pay off members bad debt in 2022. BRAD ARNTZEN seconded the motion, which carried unanimously.

B. **RATIOS REPORT.** PAYROLL ADMINISTRATOR JANINE RIFE DIDIER reviewed the May 31, 2022, and June 30, 2022, ratios report.

**13. OPERATIONS AND SAFETY REPORT.** LINE SUPERINTENDENT RIKALA reported that MECA's newly hired SAFETY INSTRUCTOR SHAWN HALVERSON, discussed Human Performance Improvement at the July 7<sup>th</sup> safety meeting. RIKALA said that the crew gave good feedback on HALVERSON's first meeting. SAFETY INSTRUCTOR JERRY LEMM is scheduled to instruct the August 31<sup>st</sup> safety meeting. RIKALA reported that he met with FEDERATED INSURANCE SAFETY AND LOSS PREVENTION CONSULTANT STEVE PAULSON on July 7<sup>th</sup> for the annual review. RIKALA gave a summary of the review. TRANSFORMER REPAIRMAN MARK SCHWOMEYER attended a two-day PCB Management and Record Keeping Workshop at MECA in June. The course covered EPA compliance. RIKALA reported that Fergus Electric plans to implement a barcoding system for the inventory of materials. Anixter, the co-op's material supplier, offers barcoding as part of their service. STAKING ENGINEER SCOTT OLSON traveled to Lincoln Electric to inquire how their barcoding system worked for them and to get some useful tips. NISC, the co-op's software provider, offers Purchase Order and Barcoding training which the co-op staff will use. RIKALA reported that he, ASSISTANT LINE SUPERINTENDENT BRET OPHUS, and FOREMAN LOUIE HOULD had interviewed four individuals for the Right-of-Way Groundman position, which they expect to fill by the end of August. RIKALA reported that requests for new services have slowed substantially: 43 requests in June compared to 13 in July. The crews will work on maintenance and right-of-way clearance issues. ASSISTANT LINE SUPERINTENDENT BRET NELLERMOE and STAKING ENGINEER SCOTT OLSON discovered a shorter route for the Bruner Mountain project. NELLERMOE is waiting for approval from landowners for this route. ECI has completed 30 percent of the engineering for the proposed Hilger to Winifred transmission line. RIKALA reported that ASSISTANT LINE SUPERINTENDENT BRET NELLERMOE'S new half-ton Chevy truck is ready and will be delivered next week. NELLERMOE'S older truck will become a spare truck for the engineers.

**14. INVENTORY OF WORK ORDERS.** No work orders were closed in this period.

**15. POWER OUTAGE REPORT.** The Board reviewed the May, June, and July 2022 Outage Reports.

**16. BOARD POLICY 235 – CONFLICTS OF INTEREST.** The Board reviewed Board Policy 235.

**17. BOARD POLICY 236 – USE OF EMPLOYEE/DIRECTOR-OWNED VEHICLES FOR COOPERATIVE BUSINESS.** The Board reviewed Board Policy 236, formerly known as: Damage to Private Vehicles Used for Company Business. MANAGER CARSON SWEENEY reported that FEDERATED INSURANCE ACCOUNT EXECUTIVE DAVID REHRER wants to discuss the content of this policy with him. The Board approved tabling the policy until the August 24 Board meeting.

**18. REPORT OF CORPORATE COUNSEL.** CORPORATE COUNSEL KRIS BIRDWELL reported he had worked on various items of importance for the co-op. BIRDWELL thanked the Board for sending him to the NRECA Legal Seminar in Portland, Maine. He reported that he enjoyed the legal seminar and noted that it was worthwhile.

**19. MANAGER'S REPORT.** GENERAL MANAGER CARSON SWEENEY reported that he had participated in several meetings and discussions with Snowy Mountain Development and Montana Procurement Technical Assistance personnel pertaining to the Ground Based Strategic Deterrent Missile (GBSD) upgrade project. SWEENEY said he spoke in support of the project at the July 28<sup>th</sup> public hearing at the fairgrounds. SWEENEY reported on the MECA Managers Meeting he attended in Sidney, Montana. There was a manager's roundtable discussion along with presentations from NRECA, NRTC, Midwest Electric Consumers Association, Basin Electric Power Cooperative, WAPA, and Bismack State College. The 2024 summer Manager's meeting will be held in Lewistown. SWEENEY provided an update on the work being done by the Department of Environmental Quality (DEQ) and the Montana Department of Transportation (MDT) regarding the Electric Vehicle Infrastructure Deployment Plan. SWEENEY provided comments against federal funding of EV charging stations in Montana's urban areas where opportunity for business growth is occurring without the aid of federal funds. SWEENEY said agencies should prioritize rural communities ahead of the high growth urban areas. SWEENEY reported on the Basin Manager's Conference that he attended in Deadwood, South Dakota. SWEENEY said that the conference was excellent, and he appreciated being able to attend. SWEENEY noted that BASIN CEO TODD TELESZ is doing a great job. SWEENEY reported that NRECA dues will increase nine percent in 2023 and he reported that NISC and Federated are also planning rate increases for 2023. SWEENEY asked the Board for their input regarding which meetings he should attend each year.

**20. MEMBERS 1<sup>ST</sup>/BASIN UPDATE.** PAUL DESCHEEMAERKER reported on the June 20<sup>th</sup> meeting that he, BOB EVANS, BRETT MAXWELL, and MANAGER SWEENEY attended. BRETT MAXWELL reported that he enjoyed attending. DESCHEEMAERKER also reported on the July 19<sup>th</sup> Members 1<sup>st</sup>/Basin Update meeting in which he had participated.

**21. MECA SUMMER BOARD MEETING.** TERRY FROST, BOB EVANS and MANAGER SWEENEY reported on the MECA Summer Board Meeting held July 13-14 in Eureka, Montana.

**22. GBSD PUBLIC HEARING.** PRESIDENT PAUL DESCHEEMAERKER reported on the July 28<sup>th</sup> public hearing that was held during the Lewistown Fair that he and MANAGER SWEENEY attended. DESCHEEMAERKER and SWEENEY noted that there was no one who spoke in opposition to the project being proposed by the Air Force.

**23. DELINQUENT ACCOUNTS/NEW MEMBERS LIST.** The Board reviewed the delinquent accounts showing those that were paid in full and those that were still owing.

**24. ESTATE CAPITAL CREDITS.** The Board reviewed the list of estate capital credits for June 2022 totaling \$15,070.37 and the list of estate capital credits for July 2022 totaling \$8,321.98, which were prepared by ERIKA MATTALIANO. JASON SWANZ moved to affirm the retirements and BRETT MAXWELL seconded the motion, which carried unanimously.


**25. OTHER BUSINESS.** OFFICE MANAGER SALLY HORACEK reported on the bad debts for the first quarter of 2022, which will be approved by the Board in December 2022, using the new weighted average for 2022.

**26. FUTURE MEETINGS.**

- a. PRECorp Board Meeting/Basin Update, August 16
- b. Safety Meeting, August 31
- c. FEC Board Meetings in 2022, August 24, September 22, and October 27
- d. Electrify the Big Sky, Missoula, September 13
- e. NRECA Region 9 Meeting, Portland, Oregon September 27-29
- f. MECA Annual Meeting, Great Falls, October 4-5
- g. Basin Annual Meeting, Bismarck, North Dakota, November 8-10
- h. MECA Winter Board Meeting, November 29-30
- i. Mid-West Consumers Association Annual Meeting, December 6-8

27. NEWS FROM THE DISTRICTS.

28. ADJOURNMENT. PRESIDENT PAUL DESCHEEMAEKER adjourned the meeting at 3:15 p.m.

SECRETARY  ATTEST: PRESIDENT 