

MINUTES
GENERAL BOARD MEETING, MARCH 2, 2022
FERGUS ELECTRIC COOPERATIVE, INC.

1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session March 2, 2022, with PRESIDENT PAUL DESCHEEMAERKER calling the meeting to order at 10:11 a.m. JANINE RIFE DIDIER was scrivener. Board members in attendance were BRAD ARNTZEN and TERRY FROST. BOB EVANS, BRETT MAXWELL, and JASON SWANZ attended via conference call. CATHY KOMBOL did not attend. 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, TERRY FROST 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 January 27, 2022, general meeting and discussing them, BRETT MAXWELL moved their approval. TERRY FROST 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 member appeared.
5. **NRECA POWERXCHANGE.** MANAGER SWEENEY reviewed the schedule and travel plans for those attending the NRECA PowerXchange meeting scheduled March 4-9 in Nashville, Tennessee.
6. **ACRE Memberships - Board.** PRESIDENT PAUL DESCHEEMAERKER encouraged the board to support ACRE. The annual cost for an ACRE membership is thirty-seven dollars per board director. MANAGER SWEENEY will plan to put an annual ACRE enrollment reminder on future January agendas.
7. **NOMINATING COMMITTEES - DISTRICTS 1 AND 6.** OFFICE MANAGER SALLY HORACEK covered the information regarding the nominating committee meetings.
8. **CFC / RUS TRANSITION - RESOLUTION.** OFFICE MANAGER SALLY HORACEK presented the attached Board Resolution to Rescind the RUS Loan. CORPORATE COUNSEL KRIS BIRDWELL reviewed the contents of the loan agreement with the Board. BIRDWELL noted that there are prepayment penalties, however there is flexibility in interest rate options and loan terms. BIRDWELL will work with OFFICE MANAGER SALLY HORACEK and CFC to get a satisfaction of mortgage from CFC prior to or as a result of the sale of the Roundup property.
9. **CFC COST OF SERVICE STUDY.** MANAGER SWEENEY provided an overview of the results of the Cost of Service Study prepared by CFC. The conclusion of the study was positive. A discussion period followed.
10. **NISC BILLING STATEMENT UPDATE.** MANAGER SWEENEY and OFFICE MANAGER SALLY HORACEK will be working with NISC to restructure Fergus Electric Co-op's monthly billing statement for the Co-op to use in the future. SWEENEY and HORACEK showed the Board examples of other co-op's billing statements that are designed well.
11. **ESTATE DONATION OF MEMBERS CAPITAL CREDITS.** CORPORATE COUNSEL KRIS BIRDWELL had announced that the personal representative of deceased co-op members SUSAN KNEDLER and CHARLIE GUINN have chosen to generously donate KNEDLER'S and GUINN's entire estate capital credits to Fergus Electric Cooperative for the purpose of using the nearly seventy thousand dollars for scholarships. The Board was elated and looks forward to publicly acknowledging the personal representative's generosity and making plans to award the magnificent gift to future recipients. Discussion followed.

12. ESTATE CAPITAL CREDITS EXCEEDS PAYMENT LIMITATION. The estate capital credits for MARIAN M. STEVENSON requires Board review as it exceeds the twenty-thousand-dollar limit set in Board Policy 220.0 Allocating, Vesting, and Retiring Capital Credits. After a short discussion period, BRAD ARNTZEN moved to make a lump sum payment of capital credits to the ESTATE of MARIAN STEVENSON. TERRY FROST seconded the motion, which carried unanimously.

13. FINANCIAL AND OTHER MONTHLY REPORTS. Financial and other monthly reports were presented to the Board for discussion. OFFICE MANAGER SALLY HORACEK reviewed the January 31, 2022, operating report. HORACEK reviewed the Form 7 December 31, 2021, Year-End report. The Board thanked HORACEK telling her they appreciated her presentation of the year-end report.

14. OPERATIONS AND SAFETY REPORT. LINE SUPERINTENDENT RIKALA reported that the February 16 safety meeting included First Aid/CPR and AED training presented by LEWISTOWN FIRE RESCUE FIRE MARSHALL, MIKE DAVIS and LEWISTOWN FIRE TRAINING OFFICER, LUKE SHEVELA. STAKING ENGINEERS SCOTT OLSON and DAN BALSTER discussed highlights of staking engineer training they recently attended. RIKALA reported that he, MANAGER SWEENEY and FOREMAN TYSON RUFF traveled to Lower Yellowstone Rural Electric Cooperative in Sydney on February 14 to observe the bar-coding system they use. LYREC's annual inventory out-of-balance decreased significantly once it implemented the bar-coding system. The group enjoyed the opportunity to spend time at LYREC and talk to them about developing a 3-5-year IT and cyber security plan for Fergus Electric. CORPORATE COUNSEL KRIS BIRDWELL said that the Roundup Horsethief property survey is complete. VERNON YODER presented a buy/sell agreement for the house for two-hundred fifty thousand dollars. The concrete block building is being sold with the house property. RIKALA reported that TYSON RUFF'S new service truck has arrived. It will be ready for service after a few modifications and installations are completed. RIKALA told that a half-ton crew cab pickup was ordered. Manufacturers are not currently offering fleet discounts. RIKALA reported that Roundup and Lewistown have both received 12 requests for new service or service upgrades. Roundup crews are changing AMI meters and patrolling line in the Lavina area. Landis & Gyr stopped hosting Turtle meter readings on February 1, 2022. Currently, the co-op is changing the three-phase and larger single-phase meters that are in stock. The co-op has 275 meters left to change with most of the needed meters on backorder from the factory. RIKALA offered condolences for LINEMAN DAREK DYGERT whose father passed away unexpectedly today.

15. INVENTORY OF WORK ORDERS. No work orders were closed this month.

16. POWER OUTAGE REPORT. The Board reviewed the January 2022 Outage Report.

17. CORRECTION TO JANUARY 27, 2022, BOARD MEETING MINUTES ITEM NO. 16 BOARD POLICY 226-GRIEVANCE AND ARBITRATION PROCEDURE. In the January 27, 2022, General Board Meeting Minutes, item number 16 heading should have read: BOARD POLICY 226-GRIEVANCE PROCEDURE. No other wording changes are required.

18. BOARD POLICY 229 - VEHICLE OPERATING POLICY. The Board reviewed Board Policy 229.

19. BOARD POLICY 230 - CLOTHING POLICY. The Board reviewed Board Policy 230.

20. REPORT OF CORPORATE COUNSEL. CORPORATE COUNSEL KRIS BIRDWELL reported that he has kept busy working on several items of importance to the cooperative.

21. MANAGER'S REPORT. GENERAL MANAGER CARSON SWEENEY reported that MECA has created a working group of co-op managers to partner with the state of Montana on the federally allocated funds to develop and deploy an electric vehicle charging network. In addition to Fergus Electric, the working group consists of Sun River, Park, and Sheridan Electric Cooperatives. MANAGER SWEENEY reported that PRECORP GM/CEO, MIKE EASLEY plans to retire in August 2022. BRIAN MILLS has been named to replace EASLEY. BILL MERTZ, PRECORP CFO, will function as the Class A General Manager for Members 1st. MANAGER SWEENEY reported that he appreciated JASON BROTHEN inviting Fergus to visit Lower Yellowstone Rural Electric Cooperative.

22. **SCHOLARSHIPS.** BRETT MAXWELL and JASON SWANZ reported that they selected JACY AYERS as the recipient of the \$1,000 Basin Electric Power Cooperative scholarship and that ELIZABETH HICKEY will represent Fergus Electric Cooperative for the Montana Electric Cooperatives' Association district scholarship. MAXWELL and SWANZ said there was a strong pool of candidates.

23. **MEMBERS 1ST/BASIN UPDATE.** PRESIDENT PAUL DESCHEEMAERKER and GENERAL MANAGER CARSON SWEENEY reported on the February 22 meeting.

24. **ESTATE CAPITAL CREDITS.** The Board reviewed the list of estate capital credits for February 2022 totaling \$23,088.94, which were prepared by ERIKA MATTALIANO. TERRY FROST moved to affirm the retirements and BRAD ARNTZEN seconded the motion, which carried unanimously.

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


26. **OTHER BUSINESS.**

27. **FUTURE MEETINGS.**

- a. NRECA PowerXchange: March 4-9
- b. Safety Meeting, March 16
- c. PRECorp Board Meeting, March 22
- d. FEC Board Meetings in 2022, March 31 and April 21
- e. MECA Spring Board Meeting, April 5-7
- f. NRECA Legislative Conference, May 1-3
- g. Fergus Electric Annual Meeting, June 9

28. **NEWS FROM THE DISTRICTS.**

29. **ADJOURNMENT.** PRESIDENT PAUL DESCHEEMAERKER adjourned the meeting at 2:43 p.m.

SECRETARY  ATTEST: PRESIDENT 