

**MINUTES  
GENERAL BOARD MEETING, MARCH 31, 2022  
FERGUS ELECTRIC COOPERATIVE, INC.**

1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session March 31, 2022, with PRESIDENT PAUL DESCHEEMAER calling the meeting to order at 10:08 a.m. JANINE RIFE DIDIER was scrivener. Board members in attendance were BRAD ARNTZEN, TERRY FROST, CATHY KOMBOL, BRETT MAXWELL, and JASON SWANZ. BOB EVANS attended via conference call. 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 March 2, 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. **TRIBUTE TO LEO SOLF.** BRETT MAXWELL asked the board and staff to join him in a moment of silence at 11:00 a.m. in honor and remembrance of Fergus Electric Cooperative's FORMER BOARD DIRECTOR LEO SOLF, whose funeral will commence then. LEO SOLF served as the District 4 Board Director from September 1981 through June 2008. At 11:00 a.m., PRESIDENT DESCHEEMAER spoke a few words then called for silence in remembrance of LEO SOLF.
6. **2021-2020 AUDIT REVIEW - CORY WHEELER.** CORY WHEELER of Smith, Lange & Halley, P.C., Certified Public Accountants presented and reviewed the firm's independent audit report of Fergus Electric Cooperative, Inc.'s financials for the years ended December 31, 2021, and 2020. WHEELER welcomed questions and comments. The Board thanked WHEELER for his detailed and thorough presentation. After a period of discussion, TERRY FROST moved to approve the 2021-2020 audit. JASON SWANZ seconded the motion, which carried unanimously.
7. **BASIN - CHRIS BAUMGARTNER.** The Board invited Basin Electric Power Cooperative's SENIOR VICE PRESIDENT OF MEMBER SERVICES AND ADMINISTRATION, CHRIS BAUMGARTNER to talk to them about Basin Electric. BAUMGARTNER gave a comprehensive PowerPoint presentation and talk about the financial status of Basin. He provided an overview of the many programs and services available to Basin members. BAUMGARTNER said that "there is value to Fergus as a member of Basin." BAUMGARTNER welcomed questions and comments throughout. After his talk, BAUMGARTNER accepted the Board's invitation to join them for lunch.
8. **RESCO BOARD OF DIRECTOR ELECTION.** GENERAL MANAGER CARSON SWEENEY covered the details concerning the upcoming election for the Resco Board of Directors.
9. **MONTHLY BILL - CREDIT CARD CHARGES.** GENERAL MANAGER CARSON SWEENEY said that by accepting credit card payments, Fergus Electric pays approximately \$14,000 in annual credit card fees. The co-op is sending a letter to members who currently pay with a credit card offering them a one-time credit of ten dollars to switch to autopay, using their bank checking/savings account, for which there is no charge.
10. **ROUNDUP PROPERTY SALES.** GENERAL MANAGER CARSON SWEENEY updated the Board on the sale of co-op owned property in the Roundup area. VERNON YODER is purchasing the house and cinder block building and DONALD TOMLIN is purchasing the acreage located on the same Horsethief Road property. BRETT NELLERMOE is interested in purchasing the two acres along the road by the Musselshell River.

**11. ANNUAL MEETING.** MANAGER SWEENEY will check on the availability and cost to have a media service set up equipment to play a video during the annual meeting. The Board discussed the status of various scholarships. The Board approved awarding ELIZABETH HICKEY a scholarship from Fergus Electric. HICKEY was selected to represent Fergus Electric for a chance to win a MECA district scholarship. HICKEY'S qualifications are notable. Additional annual meeting discussion covered asking the membership to approve construction of a new building, which would be built on the cooperative's property near Roundup. Architect drawings of the building were reviewed.

**12. NEW ROUNDUP HEADQUARTERS FACILITY – BOARD ACTION.** After a lengthy discussion, BOB EVANS moved to approve the following motion: Contingent upon approval of the members at the 2022 Annual Meeting, I move to construct a new Roundup headquarters facility on the Cooperative's 5.7 acres east of Roundup on Highway 12 at a cost not to exceed one million eight-hundred thousand dollars. BRETT MAXWELL seconded the motion, which carried unanimously.

**13. NOTICE OF AGENDA ITEM FOR THE COOPERATIVE'S 2022 ANNUAL MEETING.** CORPORATE COUNSEL KRIS BIRDWELL stated that pursuant to Section 4.15 of the Fergus Electric Cooperative Bylaws, the Board of Trustees must ask the membership at the June 9, 2022, Annual Meeting of the Membership to approve construction of a new cooperative headquarters facility in Roundup. The Agenda at the annual meeting will include a vote of the members on this issue. Notice will be provided to the membership in the form of a statement bill stuffer mailed May 5.

**14. NOMINATING COMMITTEES – DISTRICTS 1 & 6.** PAUL DESCHEEMAER reported that he was unable to attend the nominating committee meeting for District 1. DESCHEEMAER was nominated for re-election. JASON SWANZ reported on the nominating committee meeting for District 6. SWANZ was nominated for re-election. No other candidates were nominated. MANAGER SWEENEY thanked OFFICE MANAGER SALLY HORACEK for all the work she did regarding the nominating committee meetings.

**15. CFC / RUS TRANSITION.** OFFICE MANAGER SALLY HORACEK reported on the process required to exit RUS on May 5th. April 14th is the date slated to pay off the Federal Financing Bank loans.

**16. RURAL UTILITIES SERVICE (RUS) RESOLUTION REGARDING PREPAYMENT.** OFFICE MANAGER SALLY HORACEK presented a Resolution pertaining to prepaying the discounted present value of any outstanding note eligible for prepayment under the terms cited in the Resolution. RUS also requested a Waiver of Notice of regular meeting that requires all the Board of Directors to authorize by signing. After a brief discussion, TERRY FROST moved to approve the Resolution regarding the RUS prepayment agreement. BRAD ARNTZEN seconded the motion, which carried unanimously. Resolution is attached.

**17. FINANCIAL AND OTHER MONTHLY REPORTS.** Financial and other monthly reports were presented to the Board for discussion. OFFICE MANAGER SALLY HORACEK reviewed the February 28, 2022, operating report. PAYROLL ADMINISTRATOR JANINE RIFE DIDIER reviewed the February 28, 2022, ratios report.

**18. OPERATIONS AND SAFETY REPORT.** LINE SUPERINTENDENT RIKALA commended the engineers who gave presentations at the March 16<sup>th</sup> safety meeting. STAKING ENGINEER DAN BALSTER, PE provided training on new sectionalizing devices recently purchased by the co-op. STAKING ENGINEER MELANIE FORAN, PE trained the group on the mapping system that the co-op will soon begin using. The April 19<sup>th</sup> safety meeting will include employee's annual hearing test and a wellness program covering diabetes education. Snowy Mountain Motors reported that the one-half ton crew cab pickup that BRET NELLERMOE will use is enroute to Lewistown. The mechanic truck is ordered, and its service body will be ordered soon. Altec will make minor changes to the design of the 2024 serviceman truck and proceed with the order. RIKALA requested approval to order an additional serviceman bucket truck, which would not arrive until year end 2024 or early 2025. The parts are ordered to repair two heat pumps controlling the upper and lower levels of our east entry that are out of service. RIKALA stated that material shortages continue to be a problem around the country. He is in contact with material supply vendors on a regular basis. BRET NELLERMOE will send a letter to landowners in the Bruner Mountain subdivision to see if there is interest in connecting to Fergus Electric. Sixteen homes in the Bruner Mountain subdivision are off grid. The co-op is installing the last of the three-phase AMI meters. The co-op has received 300 single-phase AMI meters, and in total, there are 90 AMI meters left install.

19. **INVENTORY OF WORK ORDERS.** No work orders were closed this month.
20. **POWER OUTAGE REPORT.** The Board reviewed the February 2022 Outage Report.
21. **BOARD POLICY 231 – CONTROLLED SUBSTANCE AND ALCOHOL USE.** CORPORATE COUNSEL KRIS BIRDWELL suggested that the union members review Policy 231, especially the part pertaining to marijuana. Policy 231 tabled to permit BIRDWELL time to update the language.
22. **BOARD POLICY 232 – FIRE RESPONSE.** The Board reviewed Board Policy 232.
23. **REPORT OF CORPORATE COUNSEL.** CORPORATE COUNSEL KRIS BIRDWELL reported that he has kept busy working on several items of importance to the cooperative. BIRDWELL and OFFICE MANAGER SALLY HORACEK asked the Board to consider updating Board Policy 220.0 – Allocating, Vesting and Retiring Capital Credits, to address paying out small estate amounts, i.e., \$200.00, or less, without requiring certified copies of documents from the heir or the estate. The Board concurred.
24. **MANAGER'S REPORT.** GENERAL MANAGER CARSON SWEENEY reported that union negotiations are scheduled for April 19-20 at the co-op's headquarters in Lewistown. Expected to attend are MANAGER SWEENEY, BOARD DIRECTOR BOB EVANS, CORPORATE COUNSEL KRIS BIRDWELL, SERVICEMAN RYAN d'AUTREMONT, LINEMAN JAKE GRENSTEN, and IBEW REPRESENTATIVE SCOTT KLUNGMAN. SWEENEY reported that the MECA EV Working Group of four managers met with the Montana Department of Energy to discuss the federal requirements for the infrastructure funds earmarked for an EV charging network. The federal government built the requirements for urban areas and not rural corridors. Every Montana town/city falls under the federal definition of "rural." The group is working with the MTDOE to potentially modify the requirements to help cooperatives participate. SWEENEY said that the co-op's operations team has been working with the co-op's material suppliers to order material for 2022 capital projects. Material back orders and long lead times will likely impact most of the planned capital work. MANAGER SWEENEY described his plans to remodel his office and the board room to provide better functionality and more privacy. SWEENEY asked the Board for permission to proceed with making plans and getting costs to remodel. The Board gave their consent.
25. **NRECA POWERXCHANGE ANNUAL MEETING.** TERRY FROST reported that he thought the meeting was excellent. He said that cybersecurity and AMI were top topics. BOB EVANS and PAUL DESCHEEMAERKER talked about the classes they attended, saying board philosophy, political climate and energy were some of the topics covered. MANAGER SWEENEY reported that the NRECA meetings were informative and that NRECA PRESIDENT CHRIS CHRISTENSEN represented Montana well. FROST, EVANS, DESCHEEMAERKER and SWEENEY said they appreciated being able to attend and thanked the Board for sending them.
26. **MEMBERS 1<sup>ST</sup>/BASIN UPDATE.** PRESIDENT PAUL DESCHEEMAERKER and GENERAL MANAGER CARSON SWEENEY reported on the March 22 meeting.
27. **ESTATE CAPITAL CREDITS.** The Board reviewed the list of estate capital credits for March 2022 totaling \$45,890.16, which were prepared by SUSIE HINKLEY. JASON SWANZ moved to affirm the retirements and CATHY KOMBOL seconded the motion, which carried unanimously.
28. **DELINQUENT ACCOUNTS/NEW MEMBERS LIST.** The Board reviewed the delinquent accounts showing those that were paid in full and those that were still owing.
29. **OTHER BUSINESS.**

**30. FUTURE MEETINGS.**

- a. MECA Spring Board Meeting, April 5-7
- b. Safety Meeting, April 19
- c. PRECorp Board Meeting, April 19
- d. Union Negotiations, April 19-20
- e. FEC Board Meetings in 2022, April 21 and May 19
- f. NRECA Legislative Conference, May 1-3
- g. Fergus Electric Annual Meeting, June 9

**31. NEWS FROM THE DISTRICTS.**

**32. ADJOURNMENT.** PRESIDENT PAUL DESCHEEMAEKER adjourned the meeting at 5:36 p.m.

SECRETARY  ATTEST: <sup>Vice</sup> PRESIDENT 