

**MINUTES**  
**GENERAL BOARD MEETING, OCTOBER 27, 2022**  
**FERGUS ELECTRIC COOPERATIVE, INC.**

- 1. GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session October 27, 2022, with PRESIDENT PAUL DESCHEEMAER calling the meeting to order at 9:05 a.m. JANINE RIFE DIDIER was scrivener. Board members in attendance were BRAD ARNTZEN, CATHY KOMBOL, BRETT MAXWELL, JASON SWANZ, and TERRY FROST. BOB EVANS attended via phone. 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 September 22, 2022, general meeting and discussing them, BRETT MAXWELL moved their approval. JASON SWANZ seconded the motion, which carried unanimously.
- 4. PUBLIC COMMENT PERIOD.** No one from the public appeared.
- 5. BASIN ELECTRIC ANNUAL MEETING VOTING DELEGATES.** PRESIDENT PAUL DESCHEEMAER, JASON SWANZ and GENERAL MANAGER SWEENEY plan to attend Basin Electric's annual meeting. After a brief discussion, BRAD ARNTZEN moved to appoint JASON SWANZ to be first voting delegate and CARSON SWEENEY as second voting delegate at Basin's annual meeting in Bismarck, North Dakota on November 8-10, 2022. BRETT MAXWELL seconded the motion, which carried unanimously.
- 6. DIRECTOR DEFERRED COMPENSATION 457(b) PLAN.** CINDY IRVING, Homestead Funds Senior Consultant joined the meeting via video conference. IRVING presented the deferred compensation plans that Homestead has available for board directors. After the presentation, the Board assigned a committee to review the plan, director compensation, and other policies related to the director role. BRETT MAXWELL, BRAD ARNTZEN and JASON SWANZ will be on the committee and CORPORATE COUNSEL KRIS BIRDWELL and GENERAL MANAGER CARSON SWEENEY will attend committee meetings.
- 7. NISC BILL UPDATE.** MANAGER SWEENEY reviewed the billing statement that he and staff are working with NISC to update. The updated statement should be live within the first quarter of 2023.
- 8. OPERATION ROUND UP.** MANAGER SWEENEY gave an overview of the Operation Round Up program that various vendors and cooperatives nationwide use. The objective is for customers to voluntarily participate by opting in or out of having their bill rounded up to the nearest dollar. The rounded-up portion of the bill would be used to fund a charitable cause. After a period of discussion, the Board decided not to pursue Operation Round Up.
- 9. 2023 EXPENSE BUDGET REVIEW.** MANAGER SWEENEY presented the 2023 expense budget which will be reviewed again in detail in the next two board meetings.
- 10. 2023 CAPITAL BUDGET REVIEW.** MANAGER SWEENEY presented the 2023 capital budget which he will review again in detail in the next two board meetings. SWEENEY hopes to have budgets approved by the Board at the December 22<sup>nd</sup> board meeting.
- 11. REVENUE DEFERRAL.** PRECorp's CHIEF FINANCIAL OFFICER WILLIAM (BILL) MERTZ and two of his colleagues, CONTROLLER KARRI BLASI and ASSISTANT CONTROLLER ANGIE SABUS participated in a video call and gave a thorough overview of revenue deferral. MERTZ covered topics of encumbered cash and managing margins, citing rate stability as the main focus of implementing revenue deferral. MERTZ and his team allowed time for questions and discussion during their informative presentation.

**12. FINANCIAL AND OTHER MONTHLY REPORTS.** Financial and other monthly reports were presented to the Board for discussion. OFFICE MANAGER SALLY HORACEK reviewed the September 30, 2022, Form 7 operating report. HORACEK reported that the general retirement of capital credits authorized by the board included the balance of the years 1997, 1998, 1999, and 60 percent of 2000. HORACEK said that in October, Fergus Electric Cooperative issued 2,779 capital credit checks totaling \$947,861.81. Approximately six hundred twenty-seven thousand dollars was paid out to active or current members of the cooperative and approximately three hundred twenty thousand dollars was paid to inactive or former members of the cooperative. PAYROLL ADMINISTRATOR JANINE RIFE DIDIER reviewed the September 30, 2022, ratios report.

**13. OPERATIONS AND SAFETY REPORT.** LINE SUPERINTENDENT RIKALA reported that at the October 6<sup>th</sup> Safety Meeting, MECA SAFETY INSTRUCTOR JERRY LEMM presented Job Briefings and PPE Hazard Assessment. The crew also discussed Close Calls and Near Misses that occurred in the last month. The November 16<sup>th</sup> Safety Meeting was moved to November 28<sup>th</sup>. The crews will inspect and document chains and slings for damage and measure lengths to ensure they have not been stretched beyond safe use. RIKALA reported that the annual physical inventory counting of materials will occur at Roundup's warehouse on October 18<sup>th</sup> and at Lewistown on October 19<sup>th</sup>. RIKALA hopes to finalize the 2022 inventory of material by November 9<sup>th</sup>. RIKALA said that the engineers received several new service requests in the last month in the Winifred, Grass Range, Harlowton, Roundup and Nihill areas. STAKING ENGINEER MELANIE FORAN, PE submitted the material order for the Winifred Transmission Project. With existing lead times, materials should be delivered in August 2023. RIKALA reported on the line patrol and maintenance tickets that are completed as well as those remaining to be completed by year's end. RIKALA reported that a crew is working south of Lewistown replacing 1980's vintage underground cable and another crew is completing a three-mile line extension north of Shawmut, which includes two miles of primary underground and a mile of overhead. Roundup is in the process of changing out 84 poles in the Musselshell area, vintage 1954. RIKALA said that he, MANAGER SWEENEY and ASSISTANT LINE SUPERINTENDENT BRET NELLERMOE are working with the architect on designs for the new Roundup office.

**14. INVENTORY OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 608-608X for \$16,825.28, dated September 30, 2022, TERRY FROST moved to affirm them. JASON SWANZ seconded the motion, which carried unanimously.

**15. POWER OUTAGE REPORT.** MANAGER CARSON SWEENEY and LINE SUPERINTENDENT DALE RIKALA reviewed the September 2022 Outage Report prepared by STAKING ENGINEER MELANIE FORAN, PE.

**16. BOARD POLICY 240 – FORMULATION AND SUBMISSION OF RESOLUTIONS FROM THE COOPERATIVE TO OUTSIDE ENTITIES.** After a brief discussion, TERRY FROST moved to remove Board Policy 240. BRAD ARNTZEN seconded the motion, which carried unanimously.

**17. BOARD POLICY 241 – IDENTITY THEFT PREVENTION PROGRAM.** Tabled until next month.

**18. REPORT OF CORPORATE COUNSEL.** CORPORATE COUNSEL KRIS BIRDWELL reported he had worked on various items of importance for the co-op. BIRDWELL reported he had a good month. He had an opportunity to meet with office staff regarding capital credits and it was a worthwhile discussion and review session. He reported that he met with STAKING ENGINEER MELANIE FORAN, PE concerning another issue and it was a productive meeting.

**19. MANAGER'S REPORT.** GENERAL MANAGER CARSON SWEENEY reported that he appreciated the strong commitment from the Board Directors who were able to attend the MECA Annual Meeting adding that he continues to believe that MECA holds an annual meeting that is worth attending. SWEENEY reported that Snowy Mountain Development had invited him to a small meeting with Northrup Grumman which he attended. Northrup provided an excellent update and timeline of activities pertaining to the Sentinel Missile Upgrade Project. SWEENEY was also contacted by Snowy Mountain Development pertaining to the USDA REDLG program. The USDA REDLG program is intended to fund economic development in rural areas.

The Board directed SWEENEY to gather more information regarding the USDA REDLG program. SWEENEY reported that CFC VICE PRESIDENT OF UTILITY PRICE, POLICY, and ANALYTICS JASON STRONG and CFC REGIONAL VICE PRESIDENT ERIC ANDERSON traveled to Fergus Electric to spend a day with him to cover the co-op's recent Cost of Service Study results. MANAGER SWEENEY spoke to the Board about forming a Board Resource Committee to review a number of NRECA documents. MANAGER SWEENEY reported that the Leadership team and he will begin conducting annual employee reviews in early November with a goal to meet with every employee by the end of the year. MANAGER SWEENEY reported that he recently asked CORPORATE COUNSEL KRIS BIRDWELL to review the original General Manager employment contract from June 2020. BIRDWELL said that he will inquire with NRECA about the regularity of contracts for managers and reply to PRESIDENT DESCHEEMAERKER.

**20. NRECA REGION 9 MEETING, PORTLAND, OREGON.** CATHY KOMBOL reported on the meeting she and PRESIDENT PAUL DESCHEEMAERKER attended September 27<sup>th</sup> through September 29<sup>th</sup>.

**21. MECA ANNUAL MEETING, GREAT FALLS, MONTANA.** The Board reviewed the MECA Annual meeting held October 4-5. MECA approved hiring a new safety instructor for a total of three.

**22. MEMBERS 1<sup>ST</sup>/BASIN UPDATE.** PRESIDENT PAUL DESCHEEMAERKER reported on the meeting held October 18<sup>th</sup>.

**23. EXECUTIVE SESSION.** At 3:50 p.m., TERRY FROST moved to go into executive session for the purpose of discussing a legal matter. BRETT MAXWELL seconded the motion, which carried unanimously.

**24. REGULAR SESSION CONTINUES.** At 4:15 p.m., BRETT MAXWELL moved to resume general session. JASON SWANZ 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. ESTATE CAPITAL CREDITS.** The Board reviewed the list of estate capital credits for October 2022 totaling \$41,412.88, which were prepared by ERIKA MATTALIANO. TERRY FROST moved to affirm the retirements and JASON SWANZ seconded the motion, which carried unanimously.

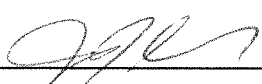
**27. OTHER BUSINESS.**

**28. FUTURE MEETINGS.**

- a. CFC IBES, Huntington Beach, CA, November 7-9
- b. Basin Annual Meeting, Bismarck, North Dakota, November 8-10
- c. Safety Meeting, November 28
- d. MECA Winter Board Meeting, November 29-30
- e. FEC Board Committee Meeting, 10:00 a.m.
- f. FEC Board Meetings, December 1 (11:00 a.m.), December 22, January 31, and March 2
- g. Mid-West Consumers Association Annual Meeting, December 6-8
- h. NRECA Annual Meeting, Nashville, March 3-8

**29. NEWS FROM THE DISTRICTS.**

**30. ADJOURNMENT.** PRESIDENT PAUL DESCHEEMAERKER adjourned the meeting at 5:03 p.m.

SECRETARY  ATTEST: PRESIDENT 