

**MINUTES**  
**GENERAL BOARD MEETING, SEPTEMBER 22, 2022**  
**FERGUS ELECTRIC COOPERATIVE, INC.**

- 1. GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session September 22, 2022, with PRESIDENT PAUL DESCHEEMAERKER calling the meeting to order at 10:04 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 August 24, 2022, general meeting and discussing them, TERRY FROST moved their approval. BRAD ARNTZEN seconded the motion, which carried unanimously.
- 4. PUBLIC COMMENT PERIOD.** No one from the public appeared.
- 5. REVENUE DEFERRAL.** GENERAL MANAGER SWEENEY covered the principle behind revenue deferral and asked the Board if they would like CHIEF FINANCIAL AND ADMINISTRATION OFFICER BILL MERTZ of PRECorp to speak to them on Revenue Deferral at a future meeting. MERTZ and the PRECorp financial team recently gave SWEENEY and OFFICE MANAGER SALLY HORACEK a presentation on how PRECorp has planned for and managed revenue deferral. The Board was in favor of MANAGER SWEENEY proceeding with extending an invitation to MR. MERTZ.
- 6. DIRECTOR DEFERRED COMPENSATION 457(b) PLAN.** GENERAL MANAGER CARSON SWEENEY asked the Board if they would be interested in holding a virtual meeting with NRECA regarding its Director Deferred Compensation 457(b) Plan. The Board was interested. MANAGER SWEENEY will proceed with arrangements.
- 7. NRECA BENEFITS (RESOLUTION).** After reviewing and discussing the NRECA Benefits Resolution, BRETT MAXWELL moved to approve the Resolution Authorizing the Amendment of the 401(k) Pension Plan Adoption Agreement "A." JASON SWANZ seconded the motion, which carried unanimously. Copy of resolution is attached.
- 8. COST OF SERVICE STUDY - RATE DESIGN.** MANAGER SWEENEY reported that he is working with a consultant to develop a three-part rate structure and plan for a Cost-of-Service Study for the co-op. RUSS SCHNEIDER with EES Consulting will attend the December board meeting to discuss the Cost-of-Service Study.
- 9. BASIN VISIT - FERGUS ELECTRIC BOARD.** PRESIDENT DESCHEEMAERKER said that BASIN ELECTRIC BOARD DIRECTOR PAUL BAKER invited the Fergus Board to travel to Bismarck to have an opportunity to learn more about the co-op's power supplier, Basin Electric Power Cooperative. The Board is supportive of the idea. PRESIDENT DESCHEEMAERKER and MANAGER SWEENEY will work with PAUL BAKER and SENIOR VICE PRESIDENT OF MEMBER AND EXTERNAL RELATIONS CHRIS BAUMGARTNER to schedule a date to travel.
- 10. FINANCIAL AND OTHER MONTHLY REPORTS.** Financial and other monthly reports were presented to the Board for discussion. OFFICE MANAGER SALLY HORACEK reviewed the August 31, 2022, Form 7 operating report, and PAYROLL ADMINISTRATOR JANINE RIFE DIDIER reviewed the August 31, 2022, ratios report.



**11. CAPITAL CREDITS RETIREMENT APPROVED.** OFFICE MANAGER SALLY HORACEK presented a report showing the current unretired and retired capital credits amounts for the years 1992-2021. The report also included an updated proposed capital credit general retirement distribution for 2020-2032, which the Board had initially approved in 2020. HORACEK proposed retiring the remaining amount for 1997, and all of years 1998 and 1999 and 2000, totaling approximately \$991,198.78. After a brief discussion, CATHY KOMBOL moved to approve a general retirement of capital credits, paying out the remaining balance of 1997 and one hundred percent of years 1998, 1999, and 2000. BOB EVANS seconded the motion, which carried unanimously.

**12. OPERATIONS AND SAFETY REPORT.** LINE SUPERINTENDENT RIKALA reported that at the September 7<sup>th</sup> Safety Meeting, NRECA SENIOR FIELD REPRESENTATIVE LORI SLABODA updated employees on insurance, retirement, and 401k benefits. HOMESTEAD INVESTMENT ADVISOR BRIAN ALLEN gave a presentation and AFLAC REPRESENTATIVE LAMONA BERRY discussed AFLAC's supplemental insurance coverage. Each presenter answered employee's questions during and after the presentation and allowed time for individual consultations of which there were several. MECA SAFETY INSTRUCTOR JERRY LEMM will present Job Briefings and PPE Hazard Assessment at the October 6 safety meeting. RIKALA reported on the Operations Conference that he, SERVICEMAN/METER TECH BRIAN GODBEY and TRANSFORMER REPAIRMAN MARK SCHWOMEYER attended at Fairmont Hot Springs in September. RIKALA said that next year he will take an engineer as there is a lot of useful information related to engineers. RIKALA reported that the co-op plans to implement bar coding using scanners that will connect to Wesco, formerly known as Anixter, the co-op's material supplier, and will operate using NISC's software program. Physical inventory of material is scheduled to begin the week of October 24. It will consist of three teams counting material on the shelves and in the yard and the linemen counting material on the trucks and in the field. RIKALA reported on various projects that are scheduled or in progress.

**13. INVENTORY OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 607-607X for \$422,797.50, dated August 31, 2022, JASON SWANZ moved to affirm them. BRAD ARNTZEN seconded the motion, which carried unanimously. As Fergus Electric is no longer an RUS borrower, the Inventory of Work Orders Form 219s are an internal report only. Staff will ask AUDITOR CORY WHEELER his recommendation about whether to present work orders to the Board in the future.

**14. POWER OUTAGE REPORT.** STAKING ENGINEER MELANIE FORAN, PE presented an updated Outage Report, which she designed that covered the August 2022 outages. The Board liked the charts and additional information and thanked FORAN for improving the report.

**15. BOARD POLICY 238 – TRUSTEE SEARCH AND SELECTION.** The Board tabled Board Policy 238 to allow time to review Addendum "A".

**16. REPORT OF CORPORATE COUNSEL.** CORPORATE COUNSEL KRIS BIRDWELL reported he had worked on various items of importance for the co-op. BIRDWELL reported that the purchase of property to the east of the co-op's headquarters is complete.

**17. MANAGER'S REPORT.** GENERAL MANAGER CARSON SWEENEY reported that he had attended the CFC Boston100 conference in Cambridge, MA. Ten Distribution General Managers were in attendance along with 7 CFC staff members. They heard presentations from MIT Directors, Professors, and Graduate students. Significant efforts are underway to implement the carbon free electric generation fleet of the future. Goals of 100 percent carbon free by 2050 were discussed. SWEENEY reported that he and OFFICE MANAGER SALLY HORACEK had met with the NRECA Benefit group multiple times to review the co-op's benefit plan as well as audit the application of benefits, historically. SWEENEY reported that he and three other Managers were invited to present to Montana State Legislators at the education Energy 101 meeting in Bonner, MT. The meeting was held the day before the Electrify the Big Sky event.

**18. EXECUTIVE SESSION.** At 1:39 p.m., JASON SWANZ moved to go into executive session for the purposes of discussing a legal matter. TERRY FROST seconded the motion, which carried unanimously.

**19. REGULAR SESSION CONTINUES.** At 1:55 p.m., BOB EVANS moved to resume general session. BRAD ARNTZEN seconded the motion, which carried unanimously.

**20. ELECTRIFY THE BIG SKY.** DIRECTOR BRETT MAXWELL and GENERAL MANAGER CARSON SWEENEY said the Electrify the Big Sky event was worthwhile and they really enjoyed attending. It allowed the co-ops to tell the cooperative story and build relationships with legislators prior to an upcoming session. SWEENEY reported that he was impressed with the attendance and content shared throughout the day long event.

**21. MEMBERS 1<sup>ST</sup>/BASIN UPDATE.** PRESEIDENT PAUL DESCHEEMAERKER reported on the September 19<sup>th</sup> meeting he attended.

**22. EXECUTIVE SESSION – MANAGER’S ANNUAL REVIEW.** At 2:31 p.m., BRETT MAXWELL moved to go into executive session for the Manager’s annual review. JASON SWANZ seconded the motion, which carried unanimously.

**23. REGULAR SESSION CONTINUES.** At 4:00 p.m., BOB EVANS moved to resume general session. BRAD ARNTZEN seconded the motion, which carried unanimously.

**24. RATIFY DISCUSSION DURING EXECUTIVE SESSION.** TERRY FROST moved to approve the salary offered to GENERAL MANAGER CARSON SWEENEY for the forthcoming year. BRETT MAXWELL 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 September 2022 totaling \$7,860.33, which were prepared by ERIKA MATTALIANO. TERRT FROST moved to affirm the retirements and BRETT MAXWELL seconded the motion, which carried unanimously.

**27. OTHER BUSINESS.**

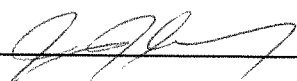
**28. FUTURE MEETINGS.**

- a. NRECA Region 9 Meeting, Portland, Oregon September 27-29
- b. MECA Annual Meeting, Great Falls, October 4-5
- c. Safety Meeting, October 6
- d. Members 1<sup>st</sup> Meeting/Basin Update, Sheridan, October 18
- e. FEC Board Meetings, October 27, December 1, and December 22
- f. CFC IBES, Huntington Beach, CA, November 7-9
- 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

**29. NEWS FROM THE DISTRICTS.**

**30. ADJOURNMENT.** PRESIDENT PAUL DESCHEEMAERKER adjourned the meeting at 4:28 p.m.

SECRETARY



ATTEST: PRESIDENT

