

MINUTES
GENERAL BOARD MEETING, APRIL 27, 2023
FERGUS ELECTRIC COOPERATIVE, INC.

1. GENERAL MEETING CALLED TO ORDER. The Fergus Electric Cooperative, Inc. Board of Trustees met in general session April 27, 2023, with PRESIDENT PAUL DESCHEEMAER calling the meeting to order at 10:03 a.m. JANINE RIFE DIDIER was scrivener. Board members in attendance were BRAD ARNTZEN, BOB EVANS, TERRY FROST, CATHY KOMBOL, BRETT MAXWELL, and JASON SWANZ. 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, BOB EVANS moved to approve it. BRETT MAXWELL seconded the motion, which carried unanimously.

3. APPROVAL OF MINUTES OF PREVIOUS MEETING. After reviewing the minutes of the March 30, 2023, general meeting and discussing them, BRETT MAXWELL moved their approval. BRAD ARNTZEN seconded the motion, which carried unanimously.

4. PUBLIC COMMENT PERIOD. No one from the public appeared.

5. COST OF SERVICE ANALYSIS. EES CONSULTING SENIOR PROJECT MANAGER RUSS SCHNEIDER joined the board meeting, virtually, to present the rate design study that he is developing, with assistance from MANAGER CARSON SWEENEY and STAKING ENGINEER MELANIE FORAN, PE. SCHNEIDER stated that the intention to restructure the co-op's rates is to better align monthly revenues with monthly expenses. SCHNEIDER welcomed questions and comments noting that he will attend the meeting in person next month and will spend more time covering the details of the rate design study.

6. WINIFRED TRANSMISSION PROJECT UPDATE. STAKING ENGINEER MELANIE FORAN, PE reviewed the process that was used to determine which contractor would be awarded the bid to construct the twenty-four-mile Winifred to Hilger 50kV rebuild. FORAN reported that Red Rock Power, Inc. was awarded the contract on April 24, 2023.

7. CMMC - LOAN DISCUSSION. The Board, Manager and Corporate Counsel discussed obtaining an Irrevocable Letter of Credit from First Bank. The Board is unanimously in favor of going forward with due diligence and asked MANAGER SWEENEY to proceed with getting the USDA REDLG application ready. The Board asked CORPORATE COUNSEL KRIS BIRDWELL to speak to an attorney from another co-op, who has experience with the USDA REDLG program, to review the Cancer Center proposal Fergus Electric received.

8. ANNUAL MEETING DISCUSSION. MANAGER CARSON SWEENEY provided the Board with a draft of his speech. OFFICE MANAGER SALLY HORACEK covered information regarding the election and credentials committee members. HORACEK asked the Board to provide her with names of members from their respective districts who would be willing to serve on the committee.

9. FINANCIAL AND OTHER MONTHLY REPORTS. Financial and other monthly reports were presented to the Board for discussion. OFFICE MANAGER SALLY HORACEK reviewed the March 31, 2023, Form 7 operating report. PAYROLL ADMINISTRATOR JANINE RIFE DIDIER reviewed the March 31, 2023, ratios report.

10. OPERATIONS AND SAFETY REPORT. LINE SUPERINTENDENT DALE RIKALA reported on the Safety Meeting held April 6th. SAFETY INSTRUCTOR SHAWN HALVERSON with MECA conducted the May Day review and Safety Data Sheet training. HALVERSON will provide instruction on Lockout Tagout during the May 4th Safety Meeting. On April 18th, FOREMAN LOUIE HOULD attended the Montana Governor's signing of HB 320, MECA's Move Over bill, at the Capitol in Helena. GOVERNOR GREG GIANFORTE coordinated the signing of the bill into law with Lineman Appreciation Day since the bill adds utility service vehicles to the state's move-over law. The bill goes into effect October 1, 2023. RIKALA reported that a spring storm had occurred on April 19th

producing strong winds and heavy amounts of wet snow. Line crews worked into the night to restore power to the areas around Lewistown, Grass Range, Kolin and Musselshell. Four linemen from Beartooth Electric Cooperative, Inc. assisted Fergus Electric in their effort to restore power. RIKALA and MANAGER SWEENEY expressed their appreciation for the help the co-op received from Beartooth's linemen. Power was restored to all residences at 12:45 a.m. In total, 5,572 meters were affected by either having a blink or an outage. TRANSFORMER REPAIRMAN MARK SCHWOMEYER and LINEMAN DAREK DYGERT attended a two-day Regulator Training Course at MECA, April 26th and 27th. RIKALA reported that to date, testing is complete on 1,420 of the 7,000 poles budgeted for this year.

11. INVENTORY OF WORK ORDERS. After reviewing Inventory of Work Orders No. 614-614X for \$13,089.43 dated March 31, 2023, JASON SWANZ moved to affirm them. BRAD ARNTZEN seconded the motion, which carried unanimously.

12. POWER OUTAGE REPORT. LINE SUPERINTENDENT DALE RIKALA reviewed the March 2023 Outage Report prepared by STAKING ENGINEER MELANIE FORAN, PE.

13. REPORT OF CORPORATE COUNSEL. CORPORATE COUNSEL KRIS BIRDWELL reported he had worked on various items of importance for the co-op. BIRDWELL reported that he had worked on contracts with MANAGER CARSON SWEENEY and on assorted issues with staff members.

14. MANAGER'S REPORT. GENERAL MANAGER CARSON SWEENEY reported that he had received several calls in support of the new billing format. NISC will correct a few minor issues prior to printing bills next month.

15. MECA SPRING BOARD MEETING, APRIL 4-6. TERRY FROST reported that the meeting he attended was good. MANAGER SWEENEY reported on the MECA Manager's meeting he attended.

16. BLACK BUTTE COPPER MEETING. PRESIDENT PAUL DESCHEEMAERKER reported that on April 13th, he, MANAGER SWEENEY and LINE SUPERINTENDENT DALE RIKALA met with BLACK BUTTE COPPER MINE REPRESENTATIVES NANCY SCHLEPP and ERIN BENNETT at the mine's request. DESCHEEMAERKER said they met the mine's new CEO LINCOLN GREENIDGE who took over for ROB SCARGILL who will remain on the Sandfire America Board as a director.

17. MEMBERS 1ST / BASIN UPDATE. No update this month.

18. NRECA LEGISLATIVE CONFERENCE. JASON SWANZ reported on the meeting he, PRESIDENT PAUL DESCHEEMAERKER and MANAGER CARSON SWEENEY attended in Washington, D.C. They met with the Montana delegation and felt it went well. SWANZ said that he was impressed with MECA'S DIRECTOR OF GOVERNMENT RELATIONS MARK LAMBRECHT and the number of people he knows. SENATOR DAINES' staff members were impressive as well. DESCHEEMAERKER said he enjoyed the conversations with the legislators.

19. DELINQUENT ACCOUNTS/NEW MEMBERS LIST. The Board reviewed the delinquent accounts showing accounts paid in full and accounts still owing. The first quarter 2023 list of write offs for \$750.69 was reviewed.

20. ESTATE CAPITAL CREDITS. The Board reviewed the list of estate capital credits for April 2023 totaling \$63,512.70, which were prepared by SENIOR BILLING CLERK ERIKA MATTALIANO. TERRY FROST moved to affirm the retirements and BRETT MAXWELL seconded the motion, which carried unanimously.

21. OTHER BUSINESS.

22. FUTURE MEETINGS.

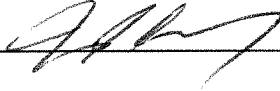
- a. Safety Meeting; May 4 and June 8
- b. FEC Board Meetings;(10:00 a.m.), May 25, June 29, and July 31
- c. FEC Annual Meeting; June 8
- d. MECA Summer Manager's Meeting: Helena; June 14-15
- e. CFC Forum/Annual Meeting: Seattle; June 19-21

- f. MECA Summer Board Meeting: Miles City; July 11-13
- g. Basin Annual Meeting: Bismarck, ND; August 15-17
- h. NRECA Region 7/9 Meeting: Omaha, NE; September 25-28
- i. MECA Annual Meeting: Great Falls, MT; October 2-4

23. NEWS FROM THE DISTRICTS.

24. ADJOURNMENT. PRESIDENT PAUL DESCHEEMAERKER adjourned the meeting at 3:20 p.m.

SECRETARY



ATTEST: PRESIDENT

