

MINUTES
GENERAL BOARD MEETING, AUGUST 30, 2023
FERGUS ELECTRIC COOPERATIVE, INC.

- 1. GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session August 30, 2023, with PRESIDENT PAUL DESCHEEMAER calling the meeting to order at 9:07 a.m. JANINE RIFE DIDIER was scrivener. Board members in attendance were BRAD ARNTZEN, BOB EVANS, TERRY FROST, CATHY KOMBOL, JASON SWANZ and BRETT MAXWELL. 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, BRAD ARNTZEN 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 July 31, 2023, general meeting and discussing them, JASON SWANZ moved their approval. TERRY FROST seconded the motion, which carried unanimously.
- 4. PUBLIC COMMENT PERIOD.** No one from the public appeared.
- 5. PLANNING.**
 - a. COST OF SERVICE ANALYSIS – NEW RATE STRUCTURE.** MANAGER CARSON SWEENEY informed the Board that Fergus Electric has 23 metering points metered by NorthWestern Energy. Basin Electric Power Cooperative, Fergus' wholesale power supplier, wheels power to Fergus Electric across NorthWestern Energy's power lines. MANAGER SWEENEY took time to thoroughly discuss Basin's Demand Waiver Period and historic data for when Fergus reaches peak demand. SWEENEY said that the objective of the new rate structuring is to align our monthly expenses more closely with our monthly revenues while remaining revenue neutral. After much discussion and a question-and-answer period, CATHY KOMBOL moved to approve the new Rate Structure, effective January 1, 2024. BRETT MAXWELL seconded the motion, which carried unanimously.
 - b. BUDGET SEASON REVIEW.** MANAGER CARSON SWEENEY informed the Board that he plans to review the 2024 expense and capital budgets during the next few board meetings and ask for Board approval of the budgets at the December 1st board meeting. A brief discussion followed.
 - c. CAPITAL CREDIT RETIREMENT DISCUSSION.** OFFICE MANAGER SALLY HORACEK presented a chart showing the current unretired and retired capital credit amounts for the years 2001-2022. HORACEK proposed retiring all of years 2001, 2002, 2003, and 2004 and thirty percent of 2005, totaling approximately \$989,033.28. The capital credit retirement amount proposed for 2023 follows the strategic plan and objective developed in 2020. After a brief discussion period, JASON SWANZ moved to approve the proposed general retirement of capital credits paying out one hundred percent for the years 2001, 2002, 2003, and 2004 and thirty percent of 2005. BRAD ARNTZEN seconded the motion, which was carried unanimously.
 - d. CMMC CANCER CENTER – USDA REDL/G LOAN.** MANAGER SWEENEY updated the Board on the Central Montana Medical Center's Cancer Center progress. SWEENEY reported that he had an informative conversation with LEA MCGIBONEY with the USDA. CMMC would like to submit an application for funding before the end of September.
 - e. FEDERATED VOTING DELEGATE.** After a brief discussion, JASON SWANZ moved to appoint BRAD ARNTZEN as the voting delegate for Federated at the NRECA 7 & 9 meeting in Omaha, Nebraska, September 26-28. BRETT MAXWELL seconded the motion, which carried unanimously.
 - f. CFC VOTING DELEGATE.** After a brief discussion, JASON SWANZ moved to appoint BOB EVANS as the voting delegate for CFC at the NRECA 7 & 9 meeting in Omaha, Nebraska, September 26-28. BRETT MAXWELL seconded the motion, which carried unanimously.

- g. **MECA ANNUAL MEETING – PAC AUCTION DONATION.** Fergus Electric will purchase one of CATHY KOMBOL'S quilts to donate to the PAC Auction which will be held during the MECA Annual Meeting in Great Falls on October 2-4. PRESIDENT PAUL DESCHEEMAER is checking on a second item to donate.
- h. **CHRISTMAS PARTY DISCUSSION.** MANAGER CARSON SWEENEY reported that Fergus Electric's Christmas Party will be held Friday, December 1, 2023, at Central Feed Grilling Company in Lewistown.
6. **FINANCIAL AND OTHER MONTHLY REPORTS.** Financial and other monthly reports were presented to the Board for discussion.
- a. **OPERATING AND RATIOS REPORTS.** OFFICE MANAGER SALLY HORACEK reviewed the July 31, 2023, Form 7 operating report. PAYROLL ADMINISTRATOR JANINE RIFE DIDIER reviewed the July 31, 2023, ratios report.
- b. **OPERATIONS AND SAFETY REPORT.** LINE SUPERINTENDENT DALE RIKALA reported that on the Safety meeting held August 16. TINA BERG, with Central Montana Hearing and Audiology, conducted employee hearing exams in her office. ANDY SCUDERI, with Peterson Company, provided TripSaver training. RIKALA reported that the co-op will be installing TripSavers going forward. The line crews practiced Pole Top and Bucket Truck Rescue. LORI SLABODA, with NRECA is scheduled to provide employees with an update on insurance, retirement, investments, and benefits at our September 6th safety meeting. RIKALA reported that Red Rock Construction crews started on the Winifred Transmission project on August 28. The Winifred Transmission project material will be reviewed to be sure everything is accounted for prior to beginning construction. SERVICEMAN RYAN d'AUTREMONT will be inspecting the work throughout the project. RIKALA said that the co-op has received 25 new service requests in the Lewistown and Roundup areas in the last month. RIKALA gave an update on the construction of the new Roundup facility. On August 21st, the 2023 Ram 5500 with an Arbortech dump body was delivered to Lewistown. The truck along with the chipper the co-op purchased earlier this year will complete the rights-of-way maintenance needs.
- c. **INVENTORY OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 618-618X for \$3,730.82 dated July 31, 2023, TERRY FROST moved to affirm them. BRAD ARNTZEN seconded the motion, which carried unanimously.
- d. **POWER OUTAGE REPORT.** LINE SUPERINTENDENT DALE RIKALA reviewed the July 2023 Outage Report prepared by STAKING ENGINEER MELANIE FORAN, PE.
7. **POLICIES.**
- a. **RATE 1055 – USAF MISSILE SITES.** MANAGER SWEENEY reported that 67 active meters are classified as rate 1055.
- b. **RATE 1010 – GREEN POWER.** MANAGER SWEENEY reported that 7 active meters are classified as rate 1055.
- c. **RATE 507 – LIGHT SERVICE – RENTAL LIGHTS.** MANAGER SWEENEY reported that 315 active meters are classified as rate 507.
8. **REPORT OF CORPORATE COUNSEL.** CORPORATE COUNSEL KRIS BIRDWELL reported he had worked on various items of importance for the co-op.
9. **MANAGER'S REPORT.** GENERAL MANAGER CARSON SWEENEY reported that recent material delays have prompted several concerning conversations with the leadership of our material supplier. SWEENEY is interested in seeing how the supply company responds going forward. SWEENEY reported on the Basin Annual Meeting he attended saying Basin presented a strategic plan, financial forecast, and rate expectations. Rates look to be stable for the next few years. SENATOR STEVE DAINES spoke during a panel of elected officials. SENATOR DAINES is supportive of electric cooperatives and their interests.

SWEENEY reported that the Montana Forest Service office is requesting large amounts of GIS mapping data for our entire system for use in developing mitigation plans for high-risk fire areas involving electric utility lines. SWEENEY is open to developing local relationships and has invited several Forest Service staff to the office to initiate these discussions. SWEENEY hopes it will lead to larger MECA involved meetings to help foster a partnership that is mutually beneficial.

10. MEETING REPORTS.

a. BASIN ANNUAL MEETING. PRESIDENT PAUL DESCHEEMAERKER reported on Basin's Annual Meeting saying that he met Basin's INTERIM MANAGER, TODD BRICKHOUSE and liked him. He said that the keynote speaker, MIKE NASSY was very good. DESCHEEMAERKER acknowledged SENATOR DAINES taking time to attend Basin's Annual Meeting and caring about the rural cooperatives.

11. EXECUTIVE SESSION.

a. DELINQUENT ACCOUNTS/NEW MEMBERS LIST. The Board reviewed the delinquent accounts showing accounts paid in full and accounts still owing.

b. ESTATE CAPITAL CREDITS. The Board reviewed the list of estate capital credits for August 2023 totaling \$26,115.74, which were prepared by SENIOR BILLING CLERK ERIKA MATTALIANO. BRETT MAXWELL moved to affirm the retirements and BOB EVANS seconded the motion, which was carried unanimously.

c. GENERAL MANAGER ANNUAL REVIEW. At 1:47 p.m., JASON SWANZ moved to go into executive session. BRETT MAXWELL seconded the motion, which was carried unanimously.

d. REGULAR SESSION CONTINUES. At 3:08 p.m., JASON SWANZ moved to resume the general session. BRAD ARNTZEN seconded the motion, which was carried unanimously.

e. RATIFY DISCUSSION DURING EXECUTIVE SESSION. BRAD ARNTZEN moved to approve the salary offered to GENERAL MANAGER CARSON SWEENEY for the forthcoming year. JASON SWANZ seconded the motion, which was carried unanimously.

12. OTHER BUSINESS.

13. NEWS FROM THE DISTRICTS.

14. FUTURE MEETINGS.

- a. Safety Meetings:
 - a. September 6
- b. FEC Board Meetings
 - a. October 5 - 10:00 a.m.
 - b. October 31 - 10:00 a.m.
- c. NRECA Region 7 & 9 Meeting: Omaha, NE; September 25-28
- d. MECA Annual Meeting: Great Falls, MT; October 2-4
- e. CFC IBES: Savannah, GA; November 12-15
- f. Fergus Electric Strategic Planning, December 11-13
- g. Mid-West Electric Consumers Association Annual Meeting, December 12-14

15. ADJOURNMENT. PRESIDENT PAUL DESCHEEMAERKER adjourned the meeting at 4:00 p.m.

SECRETARY



ATTEST: PRESIDENT

