

**MINUTES
GENERAL BOARD MEETING, JULY 31, 2023
FERGUS ELECTRIC COOPERATIVE, INC.**

1. GENERAL MEETING CALLED TO ORDER. The Fergus Electric Cooperative, Inc. Board of Trustees met in general session July 31, 2023, with PRESIDENT PAUL DESCHEEMAERKER calling the meeting to order at 9:04 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. CATHY KOMBOL seconded the motion, which was carried unanimously.

3. APPROVAL OF MINUTES OF PREVIOUS MEETING. After reviewing the minutes of the June 28, 2023, general meeting and discussing them, BRETT MAXWELL moved their approval. TERRY FROST seconded the motion, which was carried unanimously.

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

5. PLANNING.

a. BASIN ANNUAL MEETING. After a brief discussion, TERRY FROST moved to appoint PAUL DESCHEEMAERKER as the voting delegate at the Basin Electric Power Cooperative annual meeting and JASON SWANZ as the alternate. BRAD ARNTZEN seconded the motion, which was carried unanimously.

b. NRECA REGION 7 & 9 MEETING. After a brief discussion, TERRY FROST moved to appoint CATHY KOMBOL as the voting delegate and BRAD ARNTZEN as the alternate at the NRECA REGION 7 & 9 meeting in Omaha, Nebraska, September 26-28. BRETT MAXWELL seconded the motion, which was carried unanimously.

c. MECA ANNUAL MEETING. After a brief discussion, BOB EVANS moved to appoint TERRY FROST as Board Representative on the Board of Directors at the MECA annual meeting in Great Falls, October 2-4. CATHY KOMBOL seconded the motion, which was carried unanimously. TERRY FROST moved to appoint CATHY KOMBOL as voting delegate and BOB EVANS as the alternate voting delegate. BRETT MAXWELL seconded the motion, which was carried unanimously. In further discussion, it was decided that BRAD ARNTZEN will move off the Communications Committee and will replace BOB EVANS on the Power Supply Committee. BOB EVANS will retain his seat on the Bylaws Committee.

MANAGER CARSON SWEENEY provided a report listing Fergus Electric board members' current active/inactive status in the Political Action Committee (PAC), formerly known as ACRE. PRESIDENT PAUL DESCHEEMAERKER encouraged the board members to become PAC members. The Board briefly discussed donation ideas for the PAC Auction, which will take place during the MECA Annual Meeting.

d. COST OF SERVICE ANALYSIS – NEW RATE STRUCTURE. MANAGER SWEENEY provided information on four new billing rates that will be implemented in January 2024 stating that the rate schedules will be uploaded into the co-op's software test module on August 1, 2023, allowing the co-op to have five months to work out any issues. SWEENEY reviewed letters being sent to members and discussed the Heat Rate Policy he drafted for the Electric Heat Rate Credit being offered. SWEENEY reviewed the program's general information along with a page of frequently asked questions and asked the Board to offer changes or suggestions as needed. An extensive discussion period followed.

e. STRATEGIC PLANNING SESSION. MANAGER CARSON SWEENEY reported that the 2023 Strategic Planning Session is planned for December 11th - 13th at Chico Hot Springs. The topics and agenda will be discussed at an upcoming meeting.

- f. **RYAN HALL – MECA RURAL MONTANA SURVEY RESULTS.** MECA COMMUNICATIONS DIRECTOR, RYAN HALL, shared the results of the reader survey that was conducted in 2023. The surveys are done every five years. Two hundred people were surveyed, of which two percent were Fergus Electric members. HALL reported that 9.2 out of 10 members are satisfied with Fergus Features. Fergus Features is the co-op's four-page insert that appears in the monthly Rural Montana magazine.

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 June 30, 2023, Form 7 operating report. PAYROLL ADMINISTRATOR JANINE RIFE DIDIER reviewed the June 30, 2023, ratios report.

a. **WEIGHTED AVERAGE.** OFFICE MANAGER SALLY HORACEK provided the board with a report showing 4.25% as the 2022 weighted average cost of capital to pay off members' bad debt and the proposed amount of 7.56% for 2023. After a brief discussion, CATHY KOMBOL moved to approve the 7.56% weighted average cost of capital to pay off members bad debt in 2023. JASON SWANZ seconded the motion, which was carried unanimously.

b. **OPERATIONS AND SAFETY REPORT.** LINE SUPERINTENDENT DALE RIKALA reported on the Safety meeting held July 20th. Safety & Loss Control Specialist, TODD SOLOMON, temporary safety instructor at MECA, covered close calls, tailboards, fire extinguisher use/fire evacuation and led the employees through a mock fire drill and a tabletop May Day exercise. Annual hearing tests are scheduled during the August 16th safety meeting. TINA BERG with Central Montana Hearing and Audiology will conduct hearing exams in her office. ANDY SCUDERI, with Peterson Company, will provide TripSaver training. A TripSaver is an electronic reclosure. The crew will practice Pole Top & Bucket Truck Rescues in the afternoon. RIKALA reported that on August 7th, JAKE deROSIER will work with Missoula Electric Cooperative's tree trimming crew to gain more experience. RIKALA reported that Ravalli Electric Cooperative is agreeable to planning to have deROSIER work with their tree crew as well. RIKALA said that Roundup installed four new services in July and a total of 9 more new services are ready of which two have paid and 7 are staked awaiting payment before construction. RIKALA reported that new service requests have slowed in the Lewistown area in the last month. KE Construction is busy working on building the new facility near Roundup. The Lewistown line crews have tested 4,081 poles toward the goal of 7,000 for 2023. To date, in 2023, 91 of the 656 miles budgeted for 2023 have been inspected using a remote operated drone. RIKALA reported that the co-op has received 7 applications for the Lewistown Lineman position and 25 for the groundman positions in Lewistown and Roundup. RIKALA reviewed a pole testing near miss report that Fergus Electric sent to MECA to help alert other line workers of a potential risk.

c. **INVENTORY OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 617-617X for \$572,013.92 dated June 30, 2023, BRETT MAXWELL moved to affirm them. BRAD ARNTZEN seconded the motion, which was carried unanimously.

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

7. POLICIES.

a. **RATE 1030 – IRRIGATION SERVICE.** MANAGER SWEENEY reported that 166 active meters are classified as rate 1030.

b. **RATE 1050 – COMMERCIAL THREE PHASE SERVICE AND MULTI-PHASE SERVICE.** MANAGER SWEENEY reported that 120 active meters are classified as rate 1050.

c. **RATE 1012 – NET METERING SINGLE PHASE.** MANAGER SWEENEY reported that 56 active meters are classified as rate 1012.

d. RATE 1014 – NET METERING SINGLE PHASE: 400 AMP AND LARGER. MANAGER SWEENEY reported that 1 active meter is classified as rate 1014.

e. RATE 1015 – NET METERING IRRIGATION. MANAGER SWEENEY reported that 1 active meter is classified as rate 1015.

8. REPORT OF CORPORATE COUNSEL. CORPORATE COUNSEL KRIS BIRDWELL thanked the Board for permitting him to attend the annual Legal Seminar, reporting that there were excellent meetings and speakers. 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 he and CORPORATE COUNSEL BIRDWELL are working on contracts for two potential new services for the co-op. MANAGER SWEENEY reported on the difficulty the co-op is experiencing getting material delivered in a timely manner due to long lead times. Reclosers that were expected to arrive now may not arrive until the end of 2023. SWEENEY said this may require implementing an alternate work plan. SWEENEY reported on the Basin Summer Manager's Meeting he attended. Basin presented a strategic plan, financial forecast, and rate expectations. Rates look to be stable for the next few years. SWEENEY talked about his recent experience charging and driving the Tesla to meetings noting that wind conditions and weight on board impact the length of the battery's usage. SWEENEY gave a favorable review of the car's performance.

10. MEETING REPORTS.

a. MECA Summer Board Meeting. PRESIDENT PAUL DESCHEEMAERKER, VICE PRESIDENT TERRY FROST and CATHY KOMBOL shared highlights of the meeting they attended July 11-13 in Miles City saying that they truly enjoyed it. Lewistown was chosen to host next year's MECA Summer Board Meeting.

b. MEMBERS 1ST/BASIN UPDATE. PRESIDENT PAUL DESCHEEMAERKER and MANAGER SWEENEY reported on the Members 1st/Basin Update meeting they attended in Sundance, Wyoming.

11. EXECUTIVE SESSION.

a. DELINQUENT ACCOUNTS/NEW MEMBERS LIST. The Board reviewed the delinquent accounts showing accounts paid in full and accounts still owing. The second quarter 2023 list of write offs for \$171.45 was reviewed.

b. ESTATE CAPITAL CREDITS. The Board reviewed the list of estate capital credits for July 2023 totaling \$16,238.25, which were prepared by SENIOR BILLING CLERK ERIKA MATTALIANO. BOB EVANS moved to affirm the retirements and BRAD ARNTZEN seconded the motion, which was carried unanimously.

12. OTHER BUSINESS.

13. NEWS FROM THE DISTRICTS.

14. FUTURE MEETINGS.

- a.** Basin Annual Meeting: Bismarck, ND; August 15-17
- b.** Safety Meetings:
 - a.** August 16
 - b.** September 6
- c.** FEC Board Meetings
 - a.** August 30 – 9:00 a.m.
 - b.** October 5 – 9:00 a.m.
 - c.** October 31 - 9:00 a.m.
- d.** NRECA Region 7 & 9 Meeting: Omaha, NE; September 25-28
- e.** MECA Annual Meeting: Great Falls, MT; October 2-4
- f.** CFC IBES: Savannah, GA; November 12-15

15. **ADJOURNMENT.** PRESIDENT PAUL DESCHEEMAER adjourned the meeting at 3:40 p.m.

SECRETARY



ATTEST: PRESIDENT

