

MINUTES
GENERAL BOARD MEETING, MAY 25, 2023
FERGUS ELECTRIC COOPERATIVE, INC.

- 1. GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session May 25, 2023, with PRESIDENT PAUL DESCHEEMAER calling the meeting to order at 10:05 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, JASON SWANZ moved to approve it. TERRY FROST seconded the motion, which carried unanimously.
- 3. APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of the April 27, 2023, general meeting and discussing them, BRETT MAXWELL moved their approval. CATHY KOMBOL seconded the motion, which carried unanimously.
- 4. PUBLIC COMMENT PERIOD.** Net meter member discussion. Fergus Electric members LAURIE LOHRER, BUD BARTA, SCOTT MEADER and LINDA ROACHE met with the Board of Directors to express interest in Fergus Electric's net metering program and inquired about the possibility of the co-op offering another community solar program. The Board stated that the co-op is not currently planning a third community solar installation at this time. Revenue-neutral rate structuring of net metering was also discussed.
- 5. COST OF SERVICE ANALYSIS.** EES CONSULTING SENIOR PROJECT MANAGER RUSS SCHNEIDER joined the board meeting to present the rate design study that he is developing, with assistance from MANAGER CARSON SWEENEY and STAKING ENGINEER MELANIE FORAN, PE. MELANIE FORAN provided a comprehensible presentation of usage and rates. SCHNEIDER stated that the intention to restructure the co-op's rates is to better align monthly revenues with monthly expenses. MANAGER SWEENEY said that the goal is to condense the co-op's multiple rate classes into three rate classes and have fair and reasonable rates among all rate classes. SWEENEY stated that he, OFFICE MANAGER SALLY HORACEK and STAKING ENGINEER MELANIE FORAN, PE are working with NISC, the co-op's software company, to understand the software capabilities as it relates to providing new rate options. The plan is to implement the new rates January 1, 2024.
- 6. CMMC - LOAN DISCUSSION.** MANAGER SWEENEY and CORPORATE COUNSEL KRIS BIRDWELL updated the Board on the status of the CMMC Cancer Center. BIRDWELL is willing to send the USDA REDLG loan documents to COUNSEL MAX DAVIS for his review. The Board recommended BIRDWELL proceed. Discussion on the CMMC Loan will continue at the reorganization board meeting directly following the Annual Meeting.
- 7. ANNUAL MEETING DISCUSSION.** MANAGER CARSON SWEENEY reviewed the 85th Annual Meeting agenda. Discussion followed.
- 8. FIRST BANK - CHECKING ACCOUNT.** MANAGER SWEENEY and OFFICE MANAGER SALLY HORACEK reported on the interest rates First Bank had offered the co-op. The Board recommended MANAGER SWEENEY get Stockman Bank's best rate offer, as a comparison, since the co-op has an account with Stockman Bank.
- 9. FINANCIAL AND OTHER MONTHLY REPORTS.** Financial and other monthly reports were presented to the Board for discussion. OFFICE MANAGER SALLY HORACEK reviewed the April 30, 2023, Form 7 operating report. PAYROLL ADMINISTRATOR JANINE RIFE DIDIER reviewed the April 30, 2023, ratios report.
- 10. OPERATIONS AND SAFETY REPORT.** LINE SUPERINTENDENT DALE RIKALA reported on the Safety Meeting held May 4th. SAFETY INSTRUCTOR SHAWN HALVERSON with MECA provided instruction on Lockout Tagout. BILL VEJTASA, with the National Forest Service, will present the Safety Meeting on June 14th. VEJTASA will instruct proper tree cutting and chainsaw safety, providing classroom instruction in the morning and a field demonstration in the afternoon.

STAKING ENGINEER MELANIE FORAN, P. E. is inspecting the transmission line route between Hilger and Winifred seeking to line up staked pole locations with existing taps to reduce installing unnecessary angles. On May 16th and 17th, RIKALA and ASSISTANT LINE SUPERINTENDENT BRET OPHUS attended the Line Superintendents' spring meeting held at the Yogo Inn. The common issues affecting everyone are material shortages and long lead times. Ordering line trucks and bucket trucks have extremely long lead times with one cooperative reporting a lead time of five years. Requests for new services have slowed across the state. Co-ops are taking advantage of the slowdown of new construction to focus on testing poles and changing out poles. KE Construction broke ground on the new Roundup facility project on May 10th and has completed the compaction and grading where the building will sit. TRAVIS SURA started a Lewistown summer help position on May 22nd. SURA did a great job as summer help in 2022. He completed Butte's Lineman School last fall. Roundup and Lewistown personnel are interviewing candidates to fill two Lewistown and one Roundup summer positions.

11. INVENTORY OF WORK ORDERS. After reviewing Inventory of Work Orders No. 615-615X for \$8,008.46 dated April 30, 2023, BOB EVANS moved to affirm them. BRAD ARNTZEN seconded the motion, which carried unanimously.

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

13. POLICY UPDATE. MANAGER CARSON SWEENEY and SCRIVENER JANINE RIFE DIDIER reviewed the board policy updates that were added to the documents tab on the Call to Order Board App. SWEENEY said that the next step is to come up with a standard policy outline template, so everything is uniform.

14. BOARD POLICY 203 – TRUSTEE EXPENSES AND FEES. After a brief discussion, BRETT MAXWELL moved to amend Board Policy 203. CATHY KOMBOL seconded the motion, which carried unanimously.

15. 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 and mortgage releases with MANAGER CARSON SWEENEY and on assorted issues with staff members.

16. MANAGER'S REPORT. GENERAL MANAGER CARSON SWEENEY reported that he has been working with the Montana Department of Energy and Environmental Quality on an opportunity concerning electric vehicle charging stations. SWEENEY reported that he had submitted letters on behalf of the co-op to the BLM and Forest Service in response to the public comment period for BLM's proposed rule and for the Forest Service Special Use Permit.

17. MEMBERS 1ST / BASIN UPDATE. MANAGER SWEENEY reported on the Members 1st/Basin Update meeting he attended.

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

19. ESTATE CAPITAL CREDITS. The Board reviewed the list of estate capital credits for May 2023 totaling \$9,449.14, which were prepared by SENIOR BILLING CLERK ERIKA MATTALIANO. BOB EVANS moved to affirm the retirements and BRETT MAXWELL seconded the motion, which carried unanimously.

20. CFC FORUM / ANNUAL MEETING VOTING DELEGATES. After a brief discussion, JASON SWANZ moved to appoint CARSON SWEENEY as the voting delegate at the CFC annual meeting and PAUL DESCHEEMAER as alternate. BRETT MAXWELL seconded the motion, which carried unanimously. The CFC Forum / Annual Meeting will be held in Seattle on June 19 - 21, 2023.

21. OTHER BUSINESS.

23. EXECUTIVE SESSION. At 3:23 p.m., JASON SWANZ moved to go into executive session to meet with the Leadership Team. TERRY FROST seconded the motion which carried unanimously.

24. REGULAR SESSION CONTINUES. At 3:52 p.m., BRETT MAXWELL moved to resume the general session. JASON SWANZ seconded the motion, which carried unanimously.

25. FUTURE MEETINGS.

- a. FEC Annual Meeting; June 8
- b. FEC Reorganization Meeting; June 8
- c. Safety Meeting; June 14
- d. FEC Board Meetings; (9:00 a.m.), June 29, and July 31
- e. MECA Summer Board Meeting; Miles City; July 11-13
- f. MECA Summer Manager's Meeting; Helena; June 14-15
- g. CFC Forum/Annual Meeting; Seattle; June 19-21
- h. Basin Annual Meeting; Bismarck, ND; August 15-17
- i. NRECA Region 7/9 Meeting; Omaha, NE; September 25-28
- j. MECA Annual Meeting; Great Falls, MT; October 2-4
- k. CFC IBES; Savannah, GA; November 12-15

26. ADJOURNMENT. PRESIDENT PAUL DESCHEEMAERKER adjourned the meeting at 3:52 p.m.

SECRETARY



ATTEST: PRESIDENT

