

MINUTES
GENERAL BOARD MEETING, OCTOBER 5, 2023
FERGUS ELECTRIC COOPERATIVE, INC.

- 1. GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session October 5, 2023, with PRESIDENT PAUL DESCHEEMAEKER calling the meeting to order at 10:08 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, BOB EVANS moved to approve it. BRETT MAXWELL seconded the motion, which carried unanimously.
- 3. MINUTES APPROVAL.**
 - a. APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of the August 30, 2023, general meeting and discussing them, JASON SWANZ moved their approval. BRETT MAXWELL seconded the motion, which carried unanimously.
 - b. APPROVAL OF MINUTES OF SPECIAL BOARD MEETING.** After reviewing the minutes of the September 21, 2023, Special Board 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. PLANNING.**
 - a. NEW RATE STRUCTURE.** GENERAL MANAGER CARSON SWEENEY reported that the October 2023 Rural Montana magazine's Fergus Features section focuses on the co-op's new rate structure being implemented on January 1, 2024. SWEENEY said that along with their bill, members will receive a letter about the new rate structure and the information provided in the October 2023 Fergus Features.
 - b. CMMC CANCER CENTER – USDA REDL/G LOAN.** MANAGER CARSON SWEENEY reported that the co-op submitted the paperwork to CMMC and the hospital submitted the completed application to USDA on Thursday, September 28th. SWEENEY is not expecting to hear results until later in the year.
 - c. CHS PUMP STATION.** MANAGER CARSON SWEENEY provided an update on the project. SWEENEY and CORPORATE COUNSEL KRIS BIRDWELL are working on the contract language. The engineering firm should have solid numbers for the cost of construction and lead times for the material in approximately eight weeks. It will be approximately a 14-month construction project. CHS anticipates the pump station being in operation twenty-plus years, once built.
 - d. NORTHWESTERN ENERGY ROUNDUP BREAKER DISCUSSION.** MANAGER SWEENEY reported on the breaker that NorthWestern Energy will sell to the co-op, install in their Substation in Roundup, and operate to improve Fergus Electric members' reliability in the Roundup area. After a period of discussion, TERRY FROST moved to approve purchasing the new breaker for the NorthWestern Substation in Roundup for \$587,050. JASON SWANZ seconded the motion, which carried unanimously.
 - e. 2024 EXPENSE BUDGET REVIEW.** MANAGER SWEENEY provided an Excel presentation of the 2024 Income Statement. SWEENEY will ask for Board approval of the 2024 Income Budget at the December 1st board meeting.
- 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 August 31, 2023, Form 7 operating report. PAYROLL ADMINISTRATOR JANINE RIFE DIDIER reviewed the August 31, 2023, ratios report.

- b. **OPERATIONS AND SAFETY REPORT.** LINE SUPERINTENDENT DALE RIKALA reported that the Safety meeting was held on September 6th. LORI SLABODA, NRECA SENIOR FIELD REPRESENTATIVE, provided employees with an update on insurance, retirement, investments, and benefits. GENERAL MANAGER CARSON SWEENEY reported on the new rate schedule that includes demand billing, which becomes effective January 1, 2024. SWEENEY also spoke on Basin Electric's heat rate requirements and benefits that Fergus Electric will offer its membership. RIKALA reported that MECA SAFETY INSTRUCTOR, JERRY LEMM, will present Towing/Recovery, PPE, Hazard Assessment and Slips, Trips, and Falls at the November 1st Safety Meeting. RIKALA reported on various meetings, and operations and training conferences several employees had attended in September. RIKALA provided an update on the Winifred Transmission project stating that Red Rock Power is setting 10-15 poles per day and had set 24 poles as of September 26th. RIKALA reported that, weather permitting, NorthWestern Energy is planning an outage for October 18th to allow them to safely change equipment in their Roundup Substation. The power outage will affect Fergus Electric's members in addition to NorthWestern Energy's customers. RIKALA said that Fergus Electric will take advantage of the planned outage to changeout insulators and recloser bypasses in the Co-op's Roundup Substation. RIKALA provided an update on the construction of the new Roundup office/shop facility. The builders are estimating the project will be completed by mid-November. RIKALA reported that pole testing is continuing with 6,294 poles tested to date. Carters Pond, Winnett, Benchland and most of Grass Range are tested. RIKALA reported on the drone patrolling stating that 400 miles of line have been patrolled in 2023 with a goal of patrolling a total of 577 in 2023. As of October 2nd, the Co-op has received nine applications for the mechanic's position. The deadline for applications is 5:00 p.m. on October 5th.
- c. **INVENTORY OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 619-619X for \$6,984.03 dated August 31, 2023, CATHY KOMBOL moved to affirm them. BRAD ARNTZEN seconded the motion, which carried unanimously.
- d. **POWER OUTAGE REPORT.** LINE SUPERINTENDENT DALE RIKALA reviewed the August 2023 Outage Report prepared by STAKING ENGINEER MELANIE FORAN, PE.

7. POLICIES.

- a. **BOARD POLICY 244: OPEN MEETINGS POLICY FOR MEMBERS.** MANAGER SWEENEY presented the board policy and recommended that CORPORATE COUNSEL KRIS BIRDWELL review and rework the policy. The Board concurred and tabled Board Policy 244 until Counsel is prepared to present an updated version.
- b. **BOARD POLICY 246: NET METERING.** MANAGER SWEENEY reviewed the amendments that were made to the policy. After a brief discussion, BRAD ARNTZEN moved to approve the amendments to Board Policy 246 - Net Metering. TERRY FROST seconded the motion, which carried unanimously.

8. REPORT OF CORPORATE COUNSEL. CORPORATE COUNSEL KRIS BIRDWELL reported he had worked on various items of importance for the co-op. BIRDWELL complimented the engineers for working hard to research and obtain all the signatures required for the right-of-way easements.

9. MANAGER'S REPORT. GENERAL MANAGER CARSON SWEENEY reviewed the items in his report. SWEENEY acknowledged that during the 2023 MECA Annual Meeting, he was elected to MECA as chair of the Legislative Committee. The Fergus Board of Directors affirmed their support of MANAGER SWEENEY being nominated and elected as chair.

10. MEETING REPORTS.

- a. **MEMBERS 1ST.** PRESIDENT PAUL DESCHEEMAEKER reported on the meeting held September 19th.
- b. **NRECA REGION 7/9.** BRAD ARNTZEN reported on the meeting he attended in Omaha, Nebraska on September 26-29. DIRECTORS BOB EVANS and CATHY KOMBOL also attended and reported on the annual meeting. The 2024 NRECA Region 7/9 meeting will be held in Sacramento, California on September 24-26.

- c. **MECA ANNUAL MEETING.** VICE PRESIDENT TERRY FROST reviewed the October 2-4 MECA Board meeting as a MECA board member. FROST reported that DEEDEE ISAACS was reappointed as President of MECA and all the officers remained the same.

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 Capital Credit checks that were reissued in September 2023. No board action was required.

12. OTHER BUSINESS

13. FUTURE MEETINGS.

- a. Safety Meetings:
 - i. November 1
 - ii. December 13
- b. FEC Board Meetings:
 - i. October 31 - 10:00 a.m.
 - ii. December 1 - 10:00 a.m.
- c. Fergus Christmas Party: December 1, 5:30 p.m.; Central Feed Grilling
- d. CFC IBES: Savannah, GA; November 12-15
- e. Fergus Electric Strategic Planning: December 11-13
- f. Mid-West Electric Consumers Association Annual Meeting: December 12-14

14. NEWS FROM THE DISTRICTS.

ADJOURNMENT. PRESIDENT PAUL DESCHEEMAEKER adjourned the meeting at 2:16 p.m.

SECRETARY  ATTEST: PRESIDENT 