

MINUTES
GENERAL BOARD MEETING, DECEMBER 6, 2024
FERGUS ELECTRIC COOPERATIVE, INC.

1. GENERAL MEETING CALLED TO ORDER. The Fergus Electric Cooperative, Inc. Board of Trustees met in general session December 6, 2024, with PRESIDENT PAUL DESCHEEMAER calling the meeting to order at 12:44 p.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, ASSISTANT LINE SUPERINTENDENT BRET OPHUS, 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, TERRY FROST moved to approve it. BRETT MAXWELL seconded the motion, which carried unanimously. The order of agenda items three and four were switched to accommodate a guest visitor.

3. PUBLIC COMMENT PERIOD. SHANE KLAKKEN, newly elected representative of HD37, introduced himself to the Board and let the group know that he wants to hear from the people. KLAKKEN said that it is effective when people write and send legislators a handwritten note, adding that if someone takes the time to write to their congress person, they will respond to that. The Board thanked REPRESENTATIVE KLAKKEN for his time and support.

4. MINUTES APPROVAL. After reviewing the minutes of the October 31, 2024, general meeting and discussing them, BRAD ARNTZEN moved their approval. BRETT MAXWELL seconded the motion, which carried unanimously.

5. PLANNING.

a. 2025 CAPITAL BUDGET – ENGINEER REVIEW. GENERAL MANAGER reported that each of the three staking engineers and the assistant line superintendent would provide individual presentations on the co-op's capital budget items slated for 2025.

- i. SCOTT OLSON reported that there are 370 poles left to change from the pole testing results in 2023. He is estimating pole replacement costs in 2025 to average \$2,500 per pole. OLSON said that the co-op is also planning to replace 11 miles of primary underground cable in 2025.
- ii. DAN BALSTER, PE reported on the recloser replacement project. Ryegate, Ruby Gulch, Straw and Hilger are the areas the co-op will be working in during 2025. The Carters Substation Rebuild Project will go out for bid early December 2024. BALSTER said that the Roundup 50kV Breaker repair, Hilger 50kV Breaker replacement; and Regulator rebuild are also planned for 2025.
- iii. MELANIE FORAN, PE reported that meter order lead time is over a year now. FORAN noted that to improve the capability of the co-op's Outage Management System (OMS), the co-op will test out Starlink, a satellite internet service that provides high-speed broadband internet access in areas with limited or no traditional internet connectivity. FORAN said that it will be installed on two vehicles, to start, and if the results are impressive, Starlink will be purchased and installed on additional vehicles. If Starlink proves unsuccessful, option 2 is to purchase cell boosters.
- iv. BRET OPHUS reported on plans for the co-op's fleet transportation purchases and retirements for 2025. OPHUS said that the co-op will auction off its high mileage trucks and purchase a line truck, bucket truck, and swap the chassis out on a small bucket truck. In addition to updating trucks, the co-op will be updating tools.

- b. **2025 EXPENSE BUDGET REVIEW.** GENERAL MANAGER CARSON SWEENEY asked the Board if they had any questions regarding the 2025 expense budget, which he had covered in length during the two previous board meetings. There were none.
- c. **2025 BUDGET APPROVAL.** MANAGER SWEENEY asked if there were any questions regarding the income statement and capital budgets proposed for 2025. No questions were asked. BRAD ARNTZEN moved to approve the 2025 Expense and Capital Budgets as presented. JASON SWANZ seconded the motion, which carried unanimously.
- d. **BOARD GOALS FOR FINANCIAL PLANNING SEMINAR.** MANAGER CARSON SWEENEY reviewed the schedule for the 2024 Financial Planning Session to be held December 18 and 19 at the Ringling Mansion in White Sulphur Springs, Montana. Board members suggested a couple talking points for discussion during the seminar. SWEENEY reported that CFC ECONOMIST ANTONY DAVIES would provide a virtual session, and CFC REGIONAL VICE PRESIDENT ERIC ANDERSON would join the group in person and provide a financial planning presentation. OFFICE MANAGER SALLY HORACEK reported that she had arranged for meals and lodging.
- e. **WILDFIRE MITIGATION PLAN REVIEW.** MANAGER SWEENEY presented an updated version of the previous month's Wildfire Mitigation Plan and reported that line patrol, testing poles, trimming trees, substation patrol, etc. are things Fergus Electric is doing towards keeping fire at bay. After a brief discussion, BOB EVANS moved to approve Fergus Electric Cooperative's Wildfire Mitigation Plan. CATHY KOMBOL seconded the motion, which carried unanimously.

6. FINANCIAL AND OTHER MONTHLY REPORTS. Staff presented financial and other monthly reports to the Board for discussion.

- i. **OPERATING AND RATIOS REPORTS.** OFFICE MANAGER SALLY HORACEK reviewed the October 31, 2024, Form 7 operating report. JANINE RIFE DIDIER reviewed the October 31, 2024; ratios report.
- ii. **OPERATIONS AND SAFETY REPORT.** LINE SUPERINTENDENT DALE RIKALA reported that at the November 14 safety meeting, MECA SAFETY INSTRUCTOR KEVIN KNOTTS talked about Stress Management, Hand and Power Tools and Rigging Fundamentals. RIKALA said that KNOTTS did an excellent job presenting and kept the class involved. RIKALA said that KNOTTS reported that he accepted the Line Superintendent position at Ravalli Electric Cooperative which would start mid-December. RIKALA said that the line crews will perform an annual inspection of Winches, Chain and Slings, Testing of Hot Sticks and Grounds and Close Calls during the December 17 safety meeting. RIKALA reported that STAKING ENGINEER MELANIE FORAN, PE, is working on barcoding and changing the codes of Fergus Electric's materials. When that task is completed, the co-op will implement the use of scan tools to allow the crew to check materials in and out of the warehouse. RIKALA reported that STAKING ENGINEER SCOTT OLSON is working with NISC, the co-op's software developer, to upgrade Fergus to the Connect software. The Connect software will allow the engineers to create electronic staking sheets. Fergus Electric's line crews have completed installing the underground that will serve the subdivision lots at the Judith Shadows Golf Course. RIKALA reported that sectionalizing upgrades have been completed for 2024. Crews will complete pole testing in the first half of December for the 2024 schedule. RIKALA reported that thus far in 2024, Fergus Electric had purchased \$273,000 worth of generators from Generac. The generators were purchased for resale to co-op members. Generac considers purchases exceeding \$300,000 in a year a Gold Member, which offers discounted pricing.
- iii. **INVENTORY OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 633-633X for \$22,066.98, dated October 31, 2024, CATHY KOMBOL moved to affirm them. BRETT MAXWELL seconded the motion, which carried unanimously.
- iv. **POWER OUTAGE REPORT.** LINE SUPERINTENDENT DALE RIKALA reviewed the October 2024 Outage Report prepared by STAKING ENGINEER MELANIE FORAN, PE.

7. POLICIES.

- a. **CORPORATE SEAL AND SIGNATURES AND TRUSTEES – AMEND.** The BOARD OF DIRECTORS and MANAGER CARSON SWEENEY signed the document that reads as follows: We, the undersigned, the duly elected trustees of Fergus Electric Cooperative, Inc., do hereby certify that the foregoing policies were adopted by the trustees on the date below set forth, and that the President and Trustees have hereunto attached their signatures and seal of the said Fergus Electric Cooperative, Inc. Certified a True Copy of the Board Policies of Fergus Electric Cooperative, Inc., as amended through 12/06/2024.
- b. **101 – MISSION STATEMENT, STATEMENT OF IDEALS, STATEMENT OF OBJECTIVES – REVIEWED.** Board Policy 101 was reviewed.

8. REPORT OF CORPORATE COUNSEL. CORPORATE COUNSEL KRIS BIRDWELL reported that it was a busy, busy month. BIRDWELL reported that he had been out of the office for a brief period due to a death in the family, however he had spent time working on items of importance for the co-op.

9. MANAGER'S REPORT. GENERAL MANAGER CARSON SWEENEY briefly covered items included in his written report. SWEENEY reported that NRECA is expecting many changes in regulations because of DONALD TRUMP winning the presidential election. The changes will take some time but will eventually benefit electric co-ops. MECA is planning a trip to Washington, DC in early 2025, but the dates are not yet finalized. SWEENEY will accompany MECA to DC to meet with Montana's politicians. SWEENEY reported that he had attended the CFC IBES Conference in Tucson, Arizona and it was excellent. MIKE ROWE from Dirty Jobs and FORMER SECRETARY OF STATE and FORMER CIA DIRECTOR MIKE POMPEO each provided a memorable experience. SWEENEY said that he believes FEMA is near the end of the process for reviewing the co-op's storm damage. The co-op is waiting for one final agency's decision on a permit before FEMA can conclude the documentation and begin reimbursement proceedings. SWEENEY gave an overview of the upcoming financial planning session noting that Black Butte Copper has accepted the co-op's invitation to meet with the Fergus group on Wednesday afternoon for a discussion and to attend dinner that evening.

10. MEETING REPORTS. PRESIDENT PAUL DESCHEEMAER and MANAGER SWEENEY reported on the MECA Winter Meeting they attended.

11. EXECUTIVE SESSION.

- a. **EXECUTIVE SESSION MOTION.** At 4:16 p.m., TERRY FROST moved to go into executive session. JASON SWANZ seconded the motion, which carried unanimously.
- b. **REGULAR SESSION CONTINUES.** At 4:30 p.m., TERRY FROST moved to return to the general board meeting session. BRAD ARNTZEN seconded the motion, which carried unanimously.
- c. **ESTATE CAPITAL CREDITS.** The Board reviewed the list of estate capital credits for October 2024 totaling \$9,001.97, which were prepared by SENIOR BILLING CLERK ERIKA MATTALIANO. BRETT MAXWELL moved to affirm the retirements and JASON SWANZ seconded the motion, which carried unanimously.
- d. **ESTATE CAPITAL CREDIT PAYMENT LIMITATION.** OFFICE MANAGER SALLY HORACEK presented an estate capital credit payment that exceeds the limitation set in Board Policy 220., Section VI Payment Limitation. Section VI reads: Notwithstanding any other provision of this Policy, any retirement of capital credits resulting in a payment to one (1) member of more than \$20,000.00 is subject to review by the Board of Directors. The Board of Directors may make immediate full payment to the member, elect to pay the member over a term not to exceed ten (10) years, or upon mutual agreement of the Cooperative and the member, make immediate payment at a discounted rate. After a brief discussion, TERRY FROST moved to approve payment of the capital credit estate disbursement amount greater than \$20,000.00 and CATHY KOMBOL seconded the motion, which carried unanimously.
- e. **DELINQUENT STATUS, NEW MEMBERS.** The Board reviewed the delinquent accounts showing accounts paid in full and accounts still owing.

12. OTHER BUSINESS. OFFICE MANAGER SALLY HORACEK presented the insurance policy and rate information provided by Federated Rural Electric Insurance Exchange ACCOUNT EXECUTIVE DAVE REHRER. After a period of discussion, JASON SWANZ moved to accept the insurance proposal and approve increasing the Federated Insurance Commercial Umbrella Policy limit with a premium increase of fourteen percent. BRAD ARNTZEN seconded the motion, which carried unanimously.

13. NEWS FROM THE DISTRICTS.

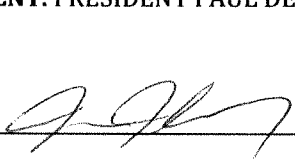
14. FUTURE MEETINGS.

- a. Safety Meeting; December 17, 2024
- b. FEC Board Meetings 2025:
 - i. January 2, 2025 - 12:30 p.m.
 - ii. January 30, 2025 - 10:00 a.m.
 - iii. February 27, 2025 - 10:00 a.m.
- c. Mid-West Electric Consumers Association Annual Meeting; Denver, CO; December 10-12
- d. Members 1st Quarterly Meeting; Sheridan, WY; December 16
- e. Fergus Electric Financial Planning; White Sulphur Springs; December 18-19
- f. NRECA CEO Close Up; Marco Island, FL; January 12-15
- g. Co-op Day at the Capitol; Helena, MT; January 20
- h. Basin Winter Managers Conference; Sioux Falls, SD; February 19-20
- i. NRECA PowerXchange; Atlanta, GA; March 7-12

15. NEWS FROM THE DISTRICTS.

ADJOURNMENT. PRESIDENT PAUL DESCHEEMAERKER adjourned the meeting at 5:02 p.m.

SECRETARY



ATTEST: PRESIDENT

