

MINUTES
GENERAL BOARD MEETING, JULY 30, 2024
FERGUS ELECTRIC COOPERATIVE, INC.

1. GENERAL MEETING CALLED TO ORDER. The Fergus Electric Cooperative, Inc. Board of Trustees met in general session July 30, 2024, with VICE PRESIDENT TERRY FROST calling the meeting to order at 9:06 a.m. JANINE RIFE DIDIER was scrivener. Board members in attendance were BRAD ARNTZEN, BOB EVANS, 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. PAUL DESCHEEMAERKER participated via speakerphone. 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 June 27, 2024, general meeting and discussing them, BRETT MAXWELL moved their approval. BRAD ARNTZEN seconded the motion, which carried unanimously.

4. PUBLIC COMMENT PERIOD.

- a. **CUSTOM ANTLER ART.** As an advocate of the political action committee (PAC), which supports political candidates who will speak for and protect the interests of electric co-ops and their members, Fergus Electric has historically donated a locally procured item to be sold during the PAC auction held during Montana Electric Cooperatives' Association's (MECA's) annual meeting each October. CHANCE MERRILL, Montana artist with ties to the Buffalo area and whose family are members of Fergus Electric Cooperative, met with the board to show them pictures of the carvings he has done on various types of moose paddles and elk and deer antlers and talked about the custom artwork that he creates for his customers. After a period of discussion, MERRILL thanked the board for their time, and, in turn, the board thanked MERRILL for visiting and showing them his artwork and giving them some ideas to consider.

5. PLANNING.

- a. **BASIN ANNUAL MEETING.** MANAGER CARSON SWEENEY reported that the Basin Annual Meeting is August 13-15, 2024, in Bismarck, North Dakota. Board members planning to attend would first need to register for the annual meeting and make hotel reservations. Discussion followed.
- b. **CFC EMERGENCY/STORM DAMAGE LINE OF CREDIT RESOLUTION.** MANAGER SWEENEY reviewed the Certificate of Resolutions and Incumbency, which was created by CFC and discussed at the previous board meeting. After a brief period of discussion, CATHY KOMBOL moved to approve the CFC Emergency/Storm Damage Line of Credit Resolution. BOB EVANS seconded the motion, which carried unanimously.
- c. **FEMA DISASTER DECLARATION.** MANAGER SWEENEY reported on the coverage FEMA will provide, if approved, for the damages Fergus Electric suffered in the May 2024 Spring storm. The co-op also submitted paperwork to FEMA for Hazard Mitigation Assistance, which, if approved, provides funding for eligible mitigation measures that reduce disaster losses, i.e., being proactive and burying power lines in tree-covered areas.

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

- a. **OPERATING AND RATIOS REPORTS.** OFFICE MANAGER SALLY HORACEK reviewed the June 30, 2024, Form 7 operating report. JANINE RIFE DIDIER reviewed the June 30, 2024, Ratios Report.

- b. **OPERATIONS AND SAFETY REPORT.** LINE SUPERINTENDENT DALE RIKALA reported that the July 17, 2024, safety meeting focused on Pole Top/Bucket Truck Rescue. A practice May Day call was placed with Lewistown Fire and Ambulance crews responding. The first responders appreciated being involved to witness what is necessary in a hurt-man rescue. Crews also practiced using the self-rescue kits on the bucket trucks. Tool inspections and close calls were also part of the meeting. The August 14, 2024, safety meeting will be conducted in-house and will include METER TECH BRIAN GODBEY leading a metering class and TRANSFORMER REPAIRMAN MARK SCHWOMEYER will present regulator training. RIKALA reported on an underground project for a 66-lot subdivision that is currently in progress adjacent to the Judith Shadows Golf Course. RIKALA reported that on July 8 and 9, 2024, MECA representatives from Ravalli Electric, Park Electric, Lower Yellowstone and Mid-Yellowstone Electric visited Fergus Electric for a Rural Electric Safety Achievement Program (RESAP) observation. The RESAP team visited the new Roundup office, South Roundup Substation, Lewistown facilities, Winifred Substation and looked at the new Winifred transmission line. They also visited a Fergus line crew in the field. RIKALA said that the observation went smoothly with a few minor suggestions on materials stored in front of controls. Fergus will receive the results soon. RIKALA reported that the engineers have staked eight new services in the Harlowton, Lewistown, Grass Range and White Sulphur areas. RIKALA reported that BETHANY HOUSEHOLDER was hired as an engineering intern for the summer and is updating the mapping and staking books. She will leave mid-August to serve in the National Guards in North Carolina.
- c. **INVENTORY OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 629-629X for \$230,449.60, dated June 30, 2024, JASON SWANZ moved to affirm them. CATHY KOMBOL seconded the motion, which carried unanimously.
- d. **POWER OUTAGE REPORT.** LINE SUPERINTENDENT DALE RIKALA reviewed the June 2024 Outage Report prepared by STAKING ENGINEER MELANIE FORAN, PE.

7. POLICIES – REVIEW.

- a. **BOARD POLICY 401: GENERAL MANAGER JOB DESCRIPTION.** MANAGER SWEENEY presented two versions of board policy 401 – original and with suggested edits. After a brief discussion, BOB EVANS moved to adopt Board Policy 401 as amended. BRAD ARNTZEN seconded the motion, which carried unanimously.

8. REPORT OF CORPORATE COUNSEL. CORPORATE COUNSEL KRIS BIRDWELL reported he had attended the NRECA Legal Conference held in Michigan. BIRDWELL said that overall, the conference was very worthwhile and thanked the board for permitting him to attend. BIRDWELL reported that he had worked on various items of importance for the co-op. BIRDWELL reported that it was a good month.

9. MANAGER'S REPORT. GENERAL MANAGER CARSON SWEENEY covered items included in his written report. SWEENEY reported that he and MARK LAMBRECHT with MECA met with Montana Department of Transportation leadership to discuss material related concerns over new federal Build America/Buy America requirements. SWEENEY reported that he met with five of Fergus Electric's seasoned linemen to get their feedback on the co-op's line patrol, vegetation management, pole testing and upcoming work plan projects. The co-op is in year four of this aggressive maintenance program. After a thorough discussion regarding whether any significant changes are needed it was concluded that they are not. SWEENEY reported that the Montana Disaster and Emergency Services (Montana DES) confirmed that the May 7, 2024, storm work submitted by the co-op's operation's team is eligible for reimbursement. The operation's team will be working with the Montana DES' team to submit the required paperwork and hazard mitigation project up Ruby Gulch for an expected reimbursement of around \$600,000. MANAGER SWEENEY reported that during the Basin Electric Power Cooperative's manager's meeting, Basin communicated an expected rate increase of approximately 10% for 2025. Co-op managers in attendance conveyed their support of spreading the increase over a two-year period. SWEENEY reported that STAKING ENGINEER MELANIE FORAN, PE welcomed a baby boy, Fielding Tyrell Foran, on July 4, 2024. SWEENEY reported that he had met with Bell Pole to discuss developing a pole lay-down yard on five acres of co-op-owned land across the north-south fence line just east of the co-op. Approximately nine other co-ops have expressed interest in a vendor-managed inventory. SWEENEY encouraged the Board to ask him questions and discuss their concerns. SWEENEY said that the co-op had received more calls from mem-

bers about blinks. The blinks are related to reclosures. STAKING ENGINEER DAN BALSTER, PE is working to get a software update which should help with the issue. SWEENEY reported that he recently asked CORPORATE COUNSEL KRIS BIRDWELL to craft a form for members to sign who would like to donate their capital credits to the co-op's scholarship fund. It would be a tax donation because of the co-op's federal tax filing status. SWEENEY reported that six security cameras were installed at the new facility in Roundup. SWEENEY wants to install six cameras at the Lewistown headquarters as well. SWEENEY reported that an employee's computer was hacked recently. The co-op's computer network did not sustain damage, still the computer was sent to Lower Yellowstone for a forensic study.

10. MEETING REPORTS.

- a. **MECA SUMMER MEETING; JULY 9-11.** TERRY FROST and CATHY KOMBOL attended a MECA meeting about the history of rural electric cooperatives, which they enjoyed. FROST said everyone enjoyed the Charlie Russell Chew Choo a lot as well as everything else at the MECA summer meeting, which was held in Lewistown. The Board and Manager were pleased to receive positive feedback from the attendees. FROST reported that MECA CEO GARY WIENS gave his notice of retirement, effective July 11, 2025.
- b. **4-H LIVESTOCK AUCTION; JULY 26 - BRAD.** BRAD ARNTZEN reported that he attended the 4-H livestock auction, on behalf of Fergus Electric, and purchased a market beef, owned, and raised by LEIGHTON "LULU" STROH of Roy and a market swine, owned, and raised by MILES RUCKMAN of Lewistown. The parents of both STROH and RUCKMAN are members of Fergus Electric Co-op. The grand prize at the 2024 annual meeting of Fergus Electric was four quarters of beef and two halves of swine, which were won by six lucky co-op members whose names were drawn during the annual meeting.

11. EXECUTIVE SESSION.

- a. **ESTATE CAPITAL CREDITS.** The Board reviewed the list of estate capital credits for July 2024 totaling \$48,291.81, which were prepared by SENIOR BILLING CLERK ERIKA MATTALIANO. BRETT MAXWELL moved to affirm the retirements and BRAD ARNTZEN seconded the motion, which carried unanimously.
- b. **DELINQUENT STATUS, NEW MEMBERS.** The Board reviewed the delinquent accounts showing accounts paid in full and accounts still owing.

12. OTHER BUSINESS.


- a. **APPROVAL OF EQUIPMENT PURCHASE.** ASSISTANT LINE SUPERINTENDENT BRET OPHUS requested that the Board extend the 2024 Budget to include the purchase of a used four-passenger 2013 Tucker Sno-Cat with new tracks and 1,042 hours/5,832 miles on it. OPHUS shared pictures of and information on the unit with the Board. The Sno-Cat would be primarily stationed at the co-op's Roundup facility. The 2024 budget allowed for the purchase of a Sno-Cat; however, the cost exceeds the budgeted amount. After a period of discussion, BRETT MAXWELL moved to extend the 2024 budget to include purchasing a used Sno-Cat. BRAD ARNTZEN seconded the motion, which carried unanimously.

13. FUTURE MEETINGS.

- a. Basin Annual Meeting: Bismarck, ND; August 13-15
- b. Safety Meeting; August 14, 2024
- c. FEC Board Meetings 2024
 - i. August 29 - 9:00 a.m.
 - ii. October 3 - 10:00 a.m.
 - iii. October 31 - 10:00 a.m.
- c. Members 1st Quarterly Meeting: Sheridan, WY; September 16
- d. NRECA Region 7/9 Meeting: Sacramento, CA; September 24-26
- e. MECA Annual Meeting: Great Falls, MT; October 1-3
- f. MECA Winter Board Meeting: Great Falls, MT; December 3-4
- g. Mid-West Electric Consumers Association Annual Meeting: Denver, CO; December 10-12

14. NEWS FROM THE DISTRICTS.

ADJOURNMENT. VICE PRESIDENT TERRY FROST adjourned the meeting at 1:56 p.m.

SECRETARY  ATTEST: PRESIDENT 