

MINUTES
GENERAL BOARD MEETING, OCTOBER 3, 2024
FERGUS ELECTRIC COOPERATIVE, INC.

- 1. GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session October 3, 2024, with PRESIDENT PAUL DESCHEEMAERKER calling the meeting to order at 2:00 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, BOB EVANS moved to approve it. BRAD ARNTZEN seconded the motion, which carried unanimously.
- 3. MINUTES APPROVAL.** After reviewing the minutes of the September 5, 2024, general meeting and discussing them, BRETT MAXWELL moved their approval. JASON SWANZ seconded the motion, which carried unanimously.
- 4. PUBLIC COMMENT PERIOD.** No one from the public appeared.
- 5. PLANNING.**
 - a. NRECA DIRECTOR CREDIT CERTIFICATION REVIEW.** BOB EVANS, TERRY FROST and PAUL DESCHEEMAERKER have met the requirements to maintain and/or receive their gold certification. The directors agreed to opt in, which is necessary to receive the gold certification.
 - b. WEIGHTED AVERAGE COST OF CAPITAL.** After a brief discussion, JASON SWANZ moved to approve the weighted average of capital for 2023. BRETT MAXWELL seconded the motion, which carried unanimously.
 - c. CAPITAL CREDIT GENERAL RETIREMENT - ACTIVE ACCOUNTS.** OFFICE MANAGER SALLY HORACEK presented a chart showing the current unretired and retired capital credit amounts for the years 2005-2023. HORACEK proposed retiring the remainder of 2005 and ninety percent of 2006, totaling approximately \$999,672.72. The capital credit retirement amount for 2024 follows the strategic plan and objective developed in 2020. After a brief period of discussion, BRETT MAXWELL moved to approve the proposed general retirement of capital credits payout for the remainder of 2005, and ninety percent of 2006. BRAD ARNTZEN seconded the motion, which carried unanimously.
 - d. RATE INCREASE 2025.** MANAGER CARSON SWEENEY presented an Excel worksheet, which showed the proposed rate increases for all rate classes. SWEENEY provided the Board with several different rate increase scenarios and discussed the timelines and probability of new, future loads becoming operational in 2025. After a period of discussion, BOB EVANS moved to approved the rate increase as presented to become effective, January 2025. BRAD ARNTZEN seconded the motion, which carried unanimously.
 - e. 2025 EXPENSE BUDGET.** MANAGER CARSON SWEENEY gave a thorough presentation of the 2025 expense budget for the Board. Next month, SWEENEY will again review the expense budget and present the capital budget for 2025 for the Board's consideration.
- 6. FINANCIAL AND OTHER MONTHLY REPORTS.** Staff presented financial and other monthly reports to the Board for discussion.
 - a. OPERATING AND RATIOS REPORTS.** MANAGER CARSON SWEENEY said that the August 31, 2024, Form 7 operating report and the Ratios Report prepared by OFFICE MANAGER SALLY HORACEK and JANINE RIFE DIDIER, respectively, are posted on the Call to Order Board App and will not be reviewed during the meeting to save time. The staff members will address any questions. The Board concurred.

- b. **OPERATIONS AND SAFETY REPORT.** LINE SUPERINTENDENT DALE RIKALA reported that NRECA FIELD REPRESENTATIVE, LORI SLABODA, presented the co-op employee's retirement, 401K, and insurance benefits during the September 18 safety meeting. RIKALA said that the Lewistown generator is up and ready to go. KE Construction is pouring a new concrete apron on the east side of the shop at the Roundup facility to replace the original concrete, which was a bad batch. RIKALA reported that the co-op's apprenticeship program has changed from NorthWestern Energy to Mountain States Line Constructors Joint Apprenticeship and Training Committee, (MSLCAT).
- c. **INVENTORY OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 631-631X for \$136,905.21, dated August 31, 2024, CATHY KOMBOL moved to affirm them. BRAD ARNTZEN seconded the motion, which carried unanimously.
- d. **POWER OUTAGE REPORT.** LINE SUPERINTENDENT DALE RIKALA did not review the August 2024 Outage Report prepared by STAKING ENGINEER MELANIE FORAN, PE, noting that it is available on the Board App.

7. **POLICIES – REVIEW.** None this month.

8. **REPORT OF CORPORATE COUNSEL.** CORPORATE COUNSEL KRIS BIRDWELL reported that after many months of submitting documents to Rural Utilities Services, (RUS) and waiting, Fergus Electric Co-op has received the Satisfaction of Mortgage.

9. **MANAGER'S REPORT.** GENERAL MANAGER CARSON SWEENEY briefly covered items included in his written report. SWEENEY reported that CMMC has requested payment of their two million dollars, in November 2024. Fergus Electric Co-op functioned as a qualified intermediary to assist with CMMC's application approval for the USDA Rural Economic Development Loan and Grant (REDLG) Program. Being a cooperative, Fergus was eligible for zero-percent interest USDA Rural Economic Development Revolving Loan funds for projects like the new CMMC Cancer Center. BRETT MAXWELL moved to open an account at First Bank for the purpose of taking in REDLG loan money for CMMC. BRAD ARNTZEN seconded the motion, which carried unanimously. SECRETARY JASON SWANZ, CARSON SWEENEY, SALLY HORACEK, and JANINE RIFE DIDIER will be listed as signors. MANAGER SWEENEY reported that the co-op received a cash offer of one-hundred-fifty-thousand dollars to buy its depot building located at 102 Railroad Ave E, Roundup, Montana. CORPORATE COUNSEL KRIS BIRDWELL will review the buy/sell agreement. After a period of discussion, BRETT MAXWELL moved to accept the cash offer of \$150,000, contingent on legal review of the buy/sell agreement. BRAD ARNTZEN seconded the motion, which passed with a vote of six in favor and one dissenting vote.

10. **MEETING REPORTS.**

- a. **NRECA REGION 7/9 MEETING.** CATHY KOMBOL and BRETT MAXWELL reported on the NRECA 7/9 meeting they attended in Sacramento, California on September 24-26, 2024. They enjoyed hearing from NRECA CEO JIM MATHESON.
- b. **MECA ANNUAL MEETING.** The Board briefly discussed the annual meeting held in Great Falls, Montana on October 1-3, 2024.

11. **EXECUTIVE SESSION.**

- a. **ESTATE CAPITAL CREDITS.** The Board reviewed the list of estate capital credits for September 2024 totaling \$10,826.80, which were prepared by SENIOR BILLING CLERK ERIKA MATTALIANO. JASON SWANZ 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.
- c. **GENERAL MANAGER ANNUAL REVIEW.** At 4:32 p.m., JASON SWANZ moved to go into executive session. BRETT MAXWELL seconded the motion, which carried unanimously.

- d. **REGULAR SESSION CONTINUES.** At 5:12 p.m., BOB EVANS moved to resume the general session. BRAD ARNTZEN seconded the motion, which carried unanimously.
- e. **RATIFY DISCUSSION DURING EXECUTIVE SESSION.** BRAD ARNTZEN moved to approve the salary offered to GENERAL MANAGER CARSON SWEENEY for the forthcoming year. TERRY FROST seconded the motion, which carried unanimously.

12. OTHER BUSINESS.

13. NEWS FROM THE DISTRICTS.

14. FUTURE MEETINGS.

- a. Safety Meeting; October 16, 2024
- b. FEC Board Meetings 2024 and 2025:
 - i. October 31 - 9:00 a.m.
 - ii. December 6 - 12:00 p.m.
 - i. Christmas Party - 5:30 p.m.
 - iii. January 2, 2025 - 10:00 a. m.
- c. CFC IBES: Tucson, AZ; November 18-20
- d. MECA Winter Board Meeting: Great Falls, MT; December 3-4
- e. Mid-West Electric Consumers Association Annual Meeting: Denver, CO; December 10-12
- f. Members 1st Quarterly Meeting: Sheridan, WY; December 16

15. NEWS FROM THE DISTRICTS.

ADJOURNMENT. PRESIDENT PAUL DESCHEEMAEKER adjourned the meeting at 5:27 p.m.

SECRETARY



ATTEST: PRESIDENT

