

**MINUTES**  
**GENERAL BOARD MEETING, OCTOBER 31, 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 DESCHEEMAER calling the meeting to order at 9:08 a.m. JANINE RIFE DIDIER was scrivener. Board members in attendance were BRAD ARNTZEN, 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, and OFFICE MANAGER SALLY HORACEK. CORPORATE COUNSEL KRIS BIRDWELL did not attend and BOB EVANS attended virtually. The attendees recited the Pledge of Allegiance.
- 2. APPROVAL OF AGENDA.** After reviewing the meeting agenda, TERRY FROST moved to approve it. BRAD ARNTZEN seconded the motion, which carried unanimously.
- 3. MINUTES APPROVAL.** After reviewing the minutes of the October 3, 2024, general 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. GENERAL CAPITAL CREDIT RETIREMENT DETAILS.** OFFICE MANAGER SALLY HORACEK reported that on October 29, 2024, the co-op issued 2,863 capital credit general retirement checks totaling \$932,417.22 for the remainder of 2005 and ninety percent of 2006. Fergus Electric paid \$721,743.10 in capital credits to current members and \$210,674.12 to former co-op members who had active accounts during the years being retired.
  - b. AUDITOR UPDATE.** OFFICE MANAGER SALLY HORACEK reported that a certified public accountant employed by Douglas Wilson and Company, PC in Great Falls, Montana will meet with staff at Fergus Electric in December 2024 to review the co-op's financial procedures. Douglas Wilson audits for three rural electric cooperatives, currently.
  - c. 2025 ANNUAL MEETING DATE.** OFFICE MANAGER SALLY HORACEK reported that Douglas Wilson and Company PC have indicated that their firm would have a completed audit to present to the co-op in June 2025, but not prior to the 2025 Annual Meeting. Fergus Electric will include the 2024 financials in the Fergus Features section of the Rural Montana magazine as soon as they become available.
  - d. 2025 RATE SCHEDULES.** MANAGER CARSON SWEENEY presented the Board with the updated rate schedules for 2025 for the General Service Rate, Missile Rate and Heat Rate.
  - e. 2025 EXPENSE AND CAPITAL BUDGET REVIEW.** MANAGER CARSON SWEENEY reviewed the expense budget again and gave a thorough presentation of the items included in the 2025 capital budget for the Board's consideration. SWEENEY reported that the engineering team, DAN BALSTER, PE; MELANIE FORAN, PE; and SCOTT OLSON will present the specific capital items for 2025 for which they are responsible at the next board meeting.
  - f. WILDFIRE MITIGATION PLAN REVIEW.** MANAGER SWEENEY reported that MECA's legislative team met with NorthWestern Energy Operations employees to discuss their Wildfire Mitigation plan and communication strategy adding that NWE will host a Wildfire Mitigation Summit in Helena on November 21, 2024. At the next board meeting, SWEENEY expects to present a formalized wildfire mitigation plan for 2025 that he will ask the board to approve.

**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 September 30, 2024, Form 7 operating report. JANINE RIFE DIDIER reviewed the September 30, 2024; ratios report.
- b. **OPERATIONS AND SAFETY REPORT.** LINE SUPERINTENDENT DALE RIKALA reported that a change was made to the agenda for the November 14, 2024, safety meeting. Both the topic and instructor have changed, since RIKALA wrote his operations and safety report. The October 16 Safety meeting was held at the Roundup shop. INSTRUCTOR STEVE JENKINS talked to the group about cold weather survival. RIKALA reported that from October 11-13, 2024, APPRENTICE LINEMEN, JASON DEFFINBAUGH, DYLAN RICKMAN, and TRAVIS SURA attended their first classes held at the Mountain States Line Constructors Joint Apprenticeship and Training Committee (MSLCAT) facilities near Helena. About 60 students from Montana, California, Colorado, and Kansas attended. The co-op's linemen gave the classes favorable reviews. Their next class is scheduled for January 10-12, 2025. RIKALA reported that currently, Lewistown has 22 new services that are staked pending construction, with Roundup having 10. Ten of the total new services will be underground. RIKALA said that the concrete apron located on the east side of the Roundup shop was re-poured and that Mid-State Signs installed the Fergus Electric sign at the Roundup office. All work on the Roundup project is completed. RIKALA reported that NorthWestern Energy plans to install Fergus Electric's additional 50 kV breaker in their Roundup Substation on November 13. NWE wants to take a three-hour power outage to complete the installation. RIKALA reported that Roundup is close to finishing their P2 maintenance tickets for 2024.
- c. **INVENTORY OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 632-632X for \$156,254.60, dated September 30, 2024, CATHY KOMBOL moved to affirm them. JASON SWANZ seconded the motion, which carried unanimously.
- d. **POWER OUTAGE REPORT.** LINE SUPERINTENDENT DALE RIKALA reviewed the September 2024 Outage Report prepared by STAKING ENGINEER MELANIE FORAN, PE.

**7. POLICIES.**

- a. **601 – LINE EXTENSION – AMEND.** After a brief discussion, BRETT MAXWELL moved to approve Board Policy 601 as amended. TERRY FROST seconded the motion, which carried unanimously.
- b. **602 – LINE EXTENSION: SUBDIVISIONS – AMEND.** BRAD ARNTZEN moved to approve Board Policy 602 as amended. JASON SWANZ seconded the motion, which carried unanimously.
- c. **603 – IDLE LINE RETIREMENT AND 604 – THREE-PHASE LINE EXTENSION – REMOVE.** JASON SWANZ moved to remove Board Policies 603 and 604 as they are incorporated into Board Policies 601 and 602. CATHY KOMBOL seconded the motion, which carried unanimously.

**8. REPORT OF CORPORATE COUNSEL.** CORPORATE COUNSEL KRIS BIRDWELL did not attend.

**9. MANAGER'S REPORT.** GENERAL MANAGER CARSON SWEENEY briefly covered items included in his written report. SWEENEY reported that CFC completed the co-op's cost-of-service analysis and presented the information to the co-op on October 10. SWEENEY reported that he and STAKING ENGINEER, SCOTT OLSON continue to work with FEMA on the details and costs associated with damage sustained during the May 7 Spring storm. SWEENEY reported that the co-op has received two signed contracts from CHS. The co-op is working with HDR to submit this project to bid to contractors in early December. SWEENEY said that the co-op received notice that NRECA's proposal for federal funding under the GRIP program was not successful. The proposed project was for the replacement of the Hilger to Roy transmission line. SWEENEY reported that the co-op has planned a financial presentation/seminar on December 18-19, 2024, in White Sulphur Springs, Montana with CFC REGIONAL VICE PRESIDENT ERIC ANDERSON as facilitator. SWEENEY reported that the co-op received a check in the amount of \$139,750, after closing costs, for the sale of the Roundup depot building.

**10. MEETING REPORTS.** There was not a meeting report this month.

**11. EXECUTIVE SESSION.**

- a. **EXECUTIVE SESSION MOTION.** At 11:37 a.m., BRETT MAXWELL moved to go into executive session. BRAD ARNTZEN seconded the motion, which carried unanimously.
- b. **REGULAR SESSION CONTINUES.** At 1:24 p.m. JASON SWANZ moved to return to the general board meeting session. BRETT MAXWELL seconded the motion, which carried unanimously.
- c. **CMMC LOAN.** CATHY KOMBOL moved to approve the loan agreement and bank documents that pertain to complying with the REDL loan requirements regarding CMMC. BRETT MAXWELL seconded the motion, which carried unanimously.
- d. **ESTATE CAPITAL CREDITS.** The Board reviewed the list of estate capital credits for October 2024 totaling \$52,827.46, 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.
- e. **DELINQUENT STATUS, NEW MEMBERS.** The Board reviewed the delinquent accounts showing accounts paid in full and accounts still owing. There were no write offs for the third quarter of 2024.

**12. OTHER BUSINESS.** OFFICE MANAGER SALLY HORACEK reported that she discovered a check issued by Fergus Electric had been altered and run through a bank in Virginia. Using Positive Pay, an online fraud protection service provided by Stockman Bank, HORACEK rejected the payment, so the co-op's account was not adversely affected. For security purposes, each check Fergus Electric issues is uploaded into Positive Pay.


**13. NEWS FROM THE DISTRICTS.**

**14. FUTURE MEETINGS.**

- a. Safety Meeting; November 14, 2024
- b. FEC Board Meetings 2024 and 2025:
  - i. December 6 – 12:00 p.m.
  - i. Christmas Party – 5:30 p.m.
  - ii. January 2, 2025 - 10:00 a. m.
  - iii. January 30, 2025 – 10:00 a.m.
  - iv. February 27, 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 1<sup>st</sup> Quarterly Meeting: Sheridan, WY; December 16
- g. Fergus Electric Financial Planning: White Sulphur Springs; December 18-19

**15. NEWS FROM THE DISTRICTS.**

**ADJOURNMENT.** PRESIDENT PAUL DESCHEEMAERKER adjourned the meeting at 2:35 p.m.

SECRETARY  ATTEST: PRESIDENT 