

MINUTES
GENERAL BOARD MEETING, MAY 29, 2025
FERGUS ELECTRIC COOPERATIVE, INC.

1. GENERAL MEETING CALLED TO ORDER. The Fergus Electric Cooperative, Inc. Board of Trustees met in general session May 29, 2025, with PRESIDENT PAUL DESCHEEMAER calling the meeting to order at 12:45 p.m. JANINE RIFE DIDIER was scrivener. The Board Members in attendance were BRAD ARNTZEN, BOB EVANS, TERRY FROST, CATHY KOMBOL, BRETT MAXWELL, and JASON SWANZ. Other attendees included GENERAL MANAGER CARSON SWEENEY, OFFICE MANAGER SALLY HORACEK and CORPORATE COUNSEL KRIS BIRDWELL. LINE SUPERINTENDENT BRET OPHUS was absent. 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 general board meeting minutes of April 24, 2025, and discussing them, CATHY KOMBOL moved to approve them. BRETT MAXWELL seconded the motion, which carried unanimously. The board reviewed the June 6, 2024, Annual Meeting minutes, which will be presented to the membership for approval at the June 5, 2025, Annual Meeting.

4. PUBLIC COMMENT PERIOD. No one from the public appeared.

5. PLANNING.

a. ANNUAL MEETING PREPARATION.

- i. **AGENDA REVIEW.** The Board reviewed and discussed the annual meeting agenda.
- ii. **MANAGER'S REPORT.** MANAGER SWEENEY covered the items he would be reporting on during his annual meeting speech.
- iii. **MANAGER'S REPORT SLIDE SHOW.** SWEENEY briefly reviewed the slides that will be shown on the large screens while he gives his report to the membership.
- iv. **BALANCE OF DONATED ESTATE CAPITAL CREDITS.** OFFICE MANAGER SALLY HORACEK reported that the current balance of donated estate capital credits that were intended to be used for scholarships is \$36,522. There are additional unclaimed capital credit funds that are also available for scholarships.
- v. **GRAND PRIZE DISCUSSION.** After considerable discussion, the Board agreed that the annual meeting's grand prizes will be two swine halved and processed. VICE PRESIDENT TERRY FROST will purchase a swine at the Roundup fair 4-H livestock auction and BOB EVANS will purchase a swine at the Stanford fair 4-H livestock auction.

- b. **LETTER OF CREDIT: 1ST SECURITY BANK/CMRWA.** MANAGER SWEENEY reviewed the details of the letter of credit the co-op received. After a brief discussion period, it was decided that MANAGER SWEENEY and CORPORATE COUNSEL KRIS BIRDWELL will do further review before proceeding.

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 April 30, 2025, Form 7 operating report. JANINE RIFE DIDIER reviewed the April 30, 2025, ratios report.
- b. **OPERATIONS AND SAFETY REPORT.** GENERAL MANAGER CARSON SWEENEY covered the report due to LINE SUPERINTENDENT BRET OPHUS' absence. BILL DOTY, MECA'S new Safety and Loss Control Instructor, presided over the May 7 safety meeting. He reviewed Emergency Action Plans, Fire Egress, Alarms, Fire Extinguishers, Hazard Energy Control and Lockout Tagout. The next safety meeting is scheduled for June 18, during which AUDIOLOGIST TINA BERG, Central Montana Hearing

and Audiology will conduct the employees' annual hearing tests in her Lewistown office. METER TECH BRIAN GODBEY will give a meter review during the safety meeting. SWEENEY told the Board that the engineering office will be closed for the next three weeks while they work on inventory. SWEENEY reported that there are 20 jobs on the engineer's project board that are ready, and numerous more are being processed. ASSISTANT LINE SUPERINTENDENT TYSON RUFF and ROW GROUNDMAN JAKE DEROSIER met with MATT PLAGENZ of the Forest Service to discuss a plan to remove trees from our right of ways on Forest Service land. SWEENEY said this is going to be a big job because there are hundreds of trees in certain areas. The co-op has a job opening for a journeyman lineman, since the out-of-state candidate to whom we offered the job declined. JOURNEYMAN LINEMAN LAKE MELLOTT resigned. His last day was May 23, 2025. The co-op has filled two summer help positions. MECHANIC JASON MILLS is getting all the annual service done on the large trucks. The co-op hopes to see a new line truck arrive in the coming month. The large bucket truck slated for the end of 2025 will not be ready until early 2026. The CHS transmission line should be finished this week. Things are progressing nicely.

- c. **INVENTORY OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 639-639X for \$148,597.42 dated April 30, 2025, JASON SWANZ moved to affirm them. CATHY KOMBOL seconded the motion, which carried unanimously.
- d. **POWER OUTAGE REPORT.** MANAGER CARSON SWEENEY reviewed the April 2025 Outage Report prepared by STAKING ENGINEER MELANIE FORAN, PE.

7. POLICIES.

a. Reviewed:

- i. **110 – DUTIES AND RESPONSIBILITIES OF THE BOARD OF TRUSTEES.** The Board reviewed Board Policy 110.

b. Amended:

- i. **220 – ALLOCATING, VESTING AND RETIRING CAPITAL CREDITS.** After a brief discussion, TERRY FROST moved to approve the amendments to Board Policy 220. BRAD ARNTZEN seconded the motion, which carried unanimously.

8. REPORT OF CORPORATE COUNSEL. CORPORATE COUNSEL KRIS BIRDWELL reported on the Revocable Capital Credit Beneficiary Registration Form that he drafted. The form is intended to create a Non-Probate Transfer on Death designation and provide members of Fergus Electric Cooperative the opportunity to designate one or more Payable on Death Beneficiaries, who will be entitled to payment of capital credits due to the member, by reason of the member's death. The form provides opportunity for the member to donate the capital credits back to the Cooperative for use in the Cooperative Scholarship fund. CORPORATE COUNSEL KRIS BIRDWELL will add the designated beneficiary percentage column to the form. After a period of discussion, VICE PRESIDENT TERRY FROST moved to approve adopting the Beneficiary Registration form as discussed. JASON SWANZ seconded the motion, which carried unanimously.

9. MANAGER'S REPORT. GENERAL MANAGER CARSON SWEENEY covered items included in his written report. SWEENEY reported that GOVERNOR GREG GIANFORTE signed HB490, an act generally revising laws relating to wildfires and utilities, into law on May 13, 2025. SWEENEY said that he expects an invitation from the Governor's office for a bill signing ceremony in the coming weeks. SWEENEY said that the property tax "relief" bills will increase Fergus Electric's property tax expense by approximately 8 percent. SWEENEY has asked MECA'S MARK LAMBRECHT to contact the Department of Revenue to request an impact report for each of Montana's electric cooperatives. SWEENEY said that he is working to update the co-op's wildfire mitigation plan to comply with the new law. SWEENEY reported that two employees from the auditing firm, DOUGLAS WILSON and COMPANY, in Great Falls, spent four days in our office reviewing the 2024 financials. The auditors were very thorough in their research and information requests. Several employees were interviewed to help the auditors better understand our processes. The auditors expect to complete their work and present the results to the Board by the end of June. The auditors left with no outstanding questions or significant concerns about the co-op's financial processes. SWEENEY reported that he has been invited to participate in an Executive Leadership Series: Harvard Certificate Program sponsored by CFC, NRTC, and Federated Insurance. The

program is conducted on campus at Harvard University August 4-6. Developed exclusively for CEO's, this unique training opportunity aims to arm leaders with insights on self-leadership, agile teams, change management and data strategies to enable them to be more effective cooperative leaders. Participants will earn a certificate of completion from Harvard DCE Professional and Executive Development. SWEENEY reported that MARK LAMBRECHT, former Director of Government Relations, accepted the offer to become MECA'S CEO and will replace CEO GARY WIENS, who is retiring. LAMBRECHT will start in his new position on July 6, 2025.

10. MEETING REPORTS.

- a. **NRECA LEGISLATIVE CONFERENCE; PAUL/CARSON.** PRESIDENT PAUL DESCHEEMAERKER and MANAGER SWEENEY reported on the NRECA Legislative Conference they attended in Washington, D.C., April 27-30. MONTANA SENATOR STEVE DAINES, SENATOR TIM SHEEHY, and REPRESENTATIVE TROY DOWNING and their staff graciously welcomed Montana's electric cooperative leaders.

11. EXECUTIVE SESSION.

- a. **ESTATE CAPITAL CREDITS.** The Board reviewed the list of estate capital credits for May 2025 totaling \$11,798.47, which were prepared by SENIOR BILLING CLERK ERIKA MATTALIANO. BRETT MAXWELL moved to affirm the retirements and CATHY KOMBOL 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. **VOTING DELEGATE AT THE CFC ANNUAL MEETING IN NEW YORK CITY, NY, JUNE 30-JULY 2, 2025.** After a brief discussion, BOB EVANS moved to designate GENERAL MANAGER CARSON SWEENEY as voting delegate at the CFC Annual Meeting. BRAD ARNTZEN seconded the motion, which carried unanimously.
- b. **SCHOLARSHIPS.** MANAGER SWEENEY reported that there were no entries for the lineman \$6,000 scholarship this spring. This occurred before as well. SWEENEY would like to expand the scholarship to be available for someone pursuing an accounting scholarship. SWEENEY asked the Board to consider opting for this in the future. Discussion will continue at a future meeting.

13. NEWS FROM THE DISTRICTS.

14. FUTURE MEETINGS.

- a. Safety Meeting; June 18, 2025
- b. FEC Board Meetings 2025:
 - i. June 25 - 12:00 p.m.
 - ii. July 31 - 12:00 p.m.
- c. Fergus Annual Meeting; June 5
- d. Fergus Reorganization Meeting; June 5
- e. MECA Managers' Group Meeting: Helena, MT; June 5-6
- f. Members 1st Board Meeting: Sheridan, WY; June 16
- g. CFC Forum: New York City, NY; June 30-July 2
- h. MECA Summer Board Meeting: Sidney, MT; July 9-10
- i. Basin Summer Managers' Meeting: Deadwood, SD; July 23-25
- j. Basin Annual Meeting: Bismarck, ND; August 12-15
- k. NRECA Region 7/9 Meeting: Bellevue, WA; October 6-8

15. NEWS FROM THE DISTRICTS.

ADJOURNMENT. PRESIDENT PAUL DESCHEEMAERKER adjourned the meeting at 3:52 p.m.

SECRETARY Bradley Antze ATTEST: PRESIDENT Terry Frost

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