

MINUTES
GENERAL BOARD MEETING, MARCH 26, 2020
FERGUS ELECTRIC COOPERATIVE, INC.

- 1. GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session March 26, 2020 with PRESIDENT PAUL DESCHEEMAER calling the meeting to order at 10:00 a.m. in person from the co-op's office headquarters. To operate efficiently and stay a safe six feet apart during the novel coronavirus (COVID-19) pandemic as recommended by authorities, all board members except the president, attended via conference call. Board members in attendance (via conference call) were BRAD ARNTZEN, BOB EVANS, TERRY FROST, CATHY KOMBOL, BRETT MAXWELL and JASON SWANZ. Also present in person were GENERAL MANAGER SCOTT SWEENEY, CORPORATE COUNSEL KRIS BIRDWELL, LINE SUPERINTENDENT DALE RIKALA, OFFICE MANAGER SALLY HORACEK and SCRIVENER JANINE RIFE DIDIER. ASSISTANT MANAGER DAVID DOVER attended via conference call. The Pledge of Allegiance was recited.
- 2. APPROVAL OF AGENDA.** After reviewing the meeting agenda, BRETT MAXWELL moved to approve it. BRAD ARNTZEN seconded the motion, which carried unanimously.
- 3. APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of the February 27, 2020 general meeting and discussing them, JASON SWANZ moved their approval. TERRY FROST seconded the motion, which carried unanimously.
- 4. PUBLIC COMMENT PERIOD.** The Board noted the regular time for member input relative to any issue of interest or importance to them. No member appeared.
- 5. 2019 AUDIT REPORT APPROVED.** CORY WHEELER of Smith, Lange & Halley, P.C., Certified Public Accountants presented and reviewed the firm's audit report of Fergus Electric Cooperative, Inc.'s financials for the years ended December 31, 2019 and 2018 via conference call. WHEELER welcomed questions and comments. After discussion, BOB EVANS moved to approve the 2019-2018 audit. JASON SWANZ seconded the motion, which carried unanimously.
- 6. NEW METERING SYSTEM.** ASSISTANT MANAGER DAVID DOVER told about the slides that STAKING ENGINEER MELANIE FORAN made that showed the progress of the AMI installation and he answered the Board's questions. MANAGER SWEENEY and LINE SUPERINTENDENT DALE RIKALA continued the conversation providing additional information on the AMI.
- 7. SANDFIRE RESOURCES COPPER MINE.** ASSISTANT MANAGER DAVID DOVER reviewed Sandfire Resources' news release which stated that it has achieved two key permitting milestones for the Black Butte Copper underground mining project. First is the release of the Final Environmental Impact Statement (EIS) by the Montana Department of Environmental Quality and second, the Department of Natural Resources and Conservation has issued a Preliminary Determination in response to the water right owners' application to modify their irrigation water rights to include leasing water for mitigation for the Black Butte Copper Project. Tintina expects the Record of Decision in April.
- 8. 2020 BUDGET UPDATED.** GENERAL MANAGER SCOTT SWEENEY reported that the updated 2020 Budget will be available on the board app under documents next month.
- 9. RUS LOAN EXTENSION RESOLUTION.** MANAGER SWEENEY reported that the Co-op's RUS FIELD REPRESENTATIVE, DENVER SCHLAEPPI assisted staff in preparing a two-year extension on the "AC8" loan, which includes the resolution, a letter and a list showing the timeline for which the remaining projects on the "AC8" loan are expected to be completed. After a brief discussion period, BRAD ARNTZEN moved to approve the Resolution Requesting a Two-Year Extension of the Advance Period on the "AC8" Loan. TERRY FROST seconded the motion, which carried unanimously. Attached.

10. FINANCIAL AND OTHER MONTHLY REPORTS. GENERAL MANAGER SCOTT SWEENEY presented financial and other monthly reports to the Board for discussion. OFFICE MANAGER SALLY HORACEK reviewed the February 29, 2020 operating report and FINANCIAL ANALYST JANINE RIFE DIDIER presented the February 29, 2020 ratios report. OFFICE MANAGER SALLY HORACEK told the Board that her fellow rural electric cooperative office managers had discussed options they were considering in hopes of easing matters for members, as a result of the COVID-19 pandemic. HORACEK asked the Board for the ability to waive finance charges on the March 2020 billing statements. The Board concurred.

11. SECURITY CAMERAS CONSIDERED. During the March 5 safety meeting, MECA SAFETY INSTRUCTOR JERRY LEMM met with the co-op's managers to discuss office security. As a result of that meeting, OFFICE MANAGER SALLY HORACEK reported that she had made inquiries about the cost to purchase and install security cameras at the office entrances, which would transmit activity to the employees' computer screens. It may take longer to obtain additional information, due to the current coronavirus restrictions on businesses.

12. INVENTORY OF WORK ORDERS AND SPECIAL EQUIPMENT CAPITALIZATION APPROVED. After reviewing Inventory of Work Orders No. 598-598X for \$156,456.00, dated February 29, 2020 and Special Equipment Capitalization summary reports for \$157,493.59 for the period beginning June 2019 and ending February 2020, BRAD ARNTZEN moved to approve them. BRETT MAXWELL seconded the motion, which carried unanimously.

13. OPERATIONS REPORT. LINE SUPERINTENDENT DALE RIKALA reported on various truck's mechanical issues and noted that the coronavirus social distancing restrictions are causing Altec's truck mechanics and drivers some inconveniences. RIKALA reported that the co-op is having some issues with its satellite radios in the trucks and in the mechanic's office. RIKALA said that ASSISTANT LINE SUPERINTENDENT BRET OPHUS is temporarily working from home, and to limit contact to the extent feasible, the office is closed to the public and delivery people are stopped outside and not permitted entrance to the building. RIKALA reported that a couple members have requested that their projects be put on hold due to uncertainty with the economy due to COVID-19. The annual hearing test scheduled during the safety meeting on April 15 is postponed due to the coronavirus restrictions.

14. POWER OUTAGE REPORT. GENERAL MANAGER SWEENEY and the Board reviewed a report prepared by JANINE RIFE DIDIER covering power interruptions for January 2020-February 2020.

15. REPORT OF CORPORATE COUNSEL. CORPORATE COUNSEL KRIS BIRDWELL reported he had worked on items of importance to the cooperative. BIRDWELL addressed the coronavirus COVID-19 pandemic as it relates to the co-op's ability to conduct its annual meeting. COUNSELOR BIRDWELL stressed that he hopes the co-op will be able to have an in-person annual meeting sometime during 2020, if social distancing restrictions prevent the co-op from keeping its current June 4, 2020 annual meeting date.

16. MANAGER'S REPORT. GENERAL MANAGER SWEENEY reported that keeping up with the rapidly changing rules, regulations and restrictions related to the coronavirus COVID-19 pandemic has been challenging. SWEENEY said that one big issue the co-op faces is keeping our linemen healthy and able to work restoring power outages. Presently, the Roundup line crew is isolated from the Lewistown employees. Several ideas for protecting employees are being considered. PAYROLL ADMINISTRATOR JANINE RIFE DIDIER and OFFICE MANAGER SALLY HORACEK are studying the new COVID-19 related payroll paid leave and payroll tax laws that were just passed. The IRS plans to release another update soon which will give staff some guidelines to follow.

17. CUSHION OF CREDIT APPROVAL. GENERAL MANAGER SCOTT SWEENEY asked the Board to consider what they would like to do with the cushion of credit, i.e., pay down higher interest rate RUS/FFB loans. After a period of discussion, BOB EVANS moved to approve using the 4.5 million dollars in the cushion of credit to pay down RUS/FFB loans. BRETT MAXWELL seconded the motion, which carried unanimously.

18. SAFETY MEETING. LINE SUPERINTENDENT DALE RIKALA reported that the safety meeting on March 5 included a presentation by MECA SAFETY INSTRUCTOR JERRY LEMM on Personal Protective Equipment and OSHA requirements.

19. **MEMBERS 1ST/PRECORP MEETING.** PRESIDENT PAUL DESCHEEMAEKER reported on the March 16 Members 1st that he attended via Zoom meeting.

20. **NOMINATING COMMITTEE MEETING.** OFFICE MANAGER SALLY HORACEK reported that the Nominating Committee meetings are scheduled to be held March 26 at Eddies Corner (District 2) and Little Montana in Grass Range (District 4), however due to the social distancing restrictions, restaurants and bars are closed to occupancy by members of the public. At least one representative from each nominating committee has agreed to go to the meeting sites and wait in their vehicles, with a FEC sign visible, in case a member shows up to announce their candidacy.

21. **ESTATE CAPITAL CREDITS.** SUSAN HINKLEY will have estate capital credits to present next month.

22. **DELINQUENT ACCOUNTS/NEW MEMBERS LIST.** The Board reviewed the delinquent accounts showing those that were paid in full and those that were still owing. A list of new members was also reviewed.

23. **FUTURE MEETINGS.**

- a. MECA Meeting, April 7-8, Great Falls, Zoom meeting
- b. PRECorp/Members 1st, April 21, Sundance
- c. NWPPA Annual Meeting, May 17-20, Kennewick, WA, Delayed
- d. FEC Board, May 28, June 25, July 30 & Aug. 27
- e. Annual Meeting, June 4 or Sep. 24
- f. Safety Meeting, June 24, Fire Tender Practice, Ladder Inspections, Pole Top Rescues & Bucket Truck Rescues

24. **NEWS FROM THE DISTRICTS.**

25. **EXECUTIVE SESSION.** At 12:45 p.m., TERRY FROST moved to continue the meeting in an executive session to discuss hiring a new general manager. BOB EVANS seconded the motion, which carried unanimously.

26. **GENERAL SESSION RESUMES.** At 1:30 p.m., BRETT MAXWELL moved to resume the general session. BRAD ARNTZEN seconded the motion, which carried unanimously.

27. **ADJOURNMENT.** PRESIDENT PAUL DESCHEEMAEKER adjourned the meeting at 1:30 p.m.

SECRETARY



ATTEST: PRESIDENT

