

**MINUTES**  
**GENERAL BOARD MEETING, SEPTEMBER 5, 2024**  
**FERGUS ELECTRIC COOPERATIVE, INC.**

- 1. GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session September 5, 2024, with PRESIDENT PAUL DESCHEEMAERKER calling the meeting to order at 9:06 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, OFFICE MANAGER SALLY HORACEK, and CORPORATE COUNSEL KRIS BIRDWELL. BOB EVANS participated via speakerphone. 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.**
  - a. APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of the July 30, 2024, general meeting and discussing them, BRETT MAXWELL moved their approval. CATHY KOMBOL seconded the motion, which carried unanimously.
- 4. PUBLIC COMMENT PERIOD.** No one from the public appeared.
- 5. PLANNING.**
  - a. NRECA REGION 7/9 VOTING DELEGATES.** CATHY KOMBOL and BRETT MAXWELL will attend the meeting held in Sacramento, California, September 24-26. JASON SWANZ moved to appoint CATHY KOMBOL as the voting delegate and BRETT MAXWELL as alternate voting delegate. TERRY FROST seconded the motion, which carried unanimously.
  - b. MECA REPRESENTATIVE AND VOTING DELEGATES.** After a brief discussion, JASON SWANZ moved to appoint TERRY FROST as Fergus Electric's Board Representative on the MECA Board of Directors at the MECA annual meeting in Great Falls, October 1-3, and PAUL DESCHEEMAERKER as alternate representative. He also moved to appoint CATHY KOMBOL as voting delegate and PAUL DESCHEEMAERKER as the alternate voting delegate. BRAD ARNTZEN seconded the motion, which was carried unanimously.
  - c. CAPITAL CREDIT GENERAL RETIREMENT - ACTIVE ACCOUNTS.** OFFICE MANAGER SALLY HORACEK said she would like to credit the electric accounts of active members for the capital credit general retirement checks that the co-op mailed to them in 2023, which they have not cashed. The Board concurred.
  - d. RATE INCREASE DISCUSSION.** MANAGER CARSON SWEENEY said that the cost of electricity from the co-op's power suppliers will be increasing in January 2025. Basin Electric Power Cooperative initially reported a 9.5% rate increase and the Western Area Power Administration (WAPA), which transmits wholesale electricity across a 15-state region from fifty-seven hydropower plants, has communicated a 7.5% rate increase. MANAGER SWEENEY reported on several rate increase options for the board to consider. SWEENEY presented a comprehensive Excel spreadsheet to show the Board how various rate increases would affect the membership. After a period of discussion, the Board said it will provide additional input related to rate increases at the next board meeting.
  - e. ROUNDUP DEPOT PROPERTY/BUILDING MARKET EVALUATION.** The Board reviewed a letter received from a Roundup Realtor pertaining to the market value of the depot property and building. LINE SUPERINTENDENT DALE RIKALA said that the building is due to be cleaned. CORPORATE COUNSEL KRIS BIRDWELL is reviewing the realtor's contract. MANAGER SWEENEY reported that ASSISTANT LINE SUPERINTENDENT BRET NELLERMOE donated Fergus Electric's welder to Roundup High School.

**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 July 31, 2024, Form 7 operating report. JANINE RIFE DIDIER reviewed the July 31, 2024, Ratios Report.
- b. **OPERATIONS AND SAFETY REPORT.** LINE SUPERINTENDENT DALE RIKALA reported that the August 14, 2024, safety meeting was conducted in-house and included TRANSFORMER REPAIRMAN MARK SCHWOMEYER presenting regulator training. The group also discussed underground tagging and lightning arrester placement. ASSISTANT LINE SUPERINTENDENT BRET OPHUS highlighted the recent RESAP report's comments and recommendations. At the September 18 safety meeting, NRECA FIELD REPRESENTATIVE LORI SLABODA will update employees on their health and life insurance and cover their Retirement Security and 401k benefit plans. RIKALA reported that on September 4, he and STAKING ENGINEER DAN BALSTER PE met with HDR at the Winnett Substation to plan to add buss work for an additional set of breakers to separate the north and south feeds. HDR submitted the Carters Pond Substation rebuild final design to BALSTER for review. BALSTER plans to have the engineering completed by November 1, then the project will be ready to be sent out for bids for construction in 2025. RIKALA reported that crews have been changing rejected poles in the Grass Range and Carters Pond areas stating that 52% of the forty-four rejected poles in the Carters Pond area and 25% of the 106 poles in the Grass Range area have been changed. Sectionalizing upgrades are being completed in the South Roundup and Grass Range areas. Crews continue to fix the issues found during line patrol in 2023. RIKALA reported that CK Tech finished the installation of the door and gate security at the new Roundup office August 28. The five foot by ten-foot Fergus Electric sign built by Midstate Signs should be installed by the end of September.
- c. **INVENTORY OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 630-630X for \$30,858.92, dated July 31, 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 July 2024 Outage Report prepared by STAKING ENGINEER MELANIE FORAN, PE.

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

**8. REPORT OF CORPORATE COUNSEL.** CORPORATE COUNSEL KRIS BIRDWELL reported he had a busy month. He worked on estate capital credits, contracts for MANAGER SWEENEY and various other 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 CFC is currently conducting a cost-of-service analysis for Fergus Electric. SWEENEY expects to receive results in September or October. SWEENEY reported that he joined approximately forty cooperative representatives at the Governor's reception, which was held in their newly remodeled 1885 historic mansion. SWEENEY said that he and STAKING ENGINEER SCOTT OLSON are working with FEMA and associated government agencies on the paperwork necessary to be reimbursed for some of the costs attributed to the spring disaster. The project will extend over the next several months. SWEENEY reported that MECA is working with NorthWestern Energy and MDU to draft a bill that would help reduce wildfire liability for utilities that have adopted and follow a wildfire mitigation plan. SWEENEY said he is currently working on the co-op's plan and will have it finished before the end of the year. SWEENEY reported that MECA has been working with NorthWestern Energy and the large load group in Montana to help come to an agreement on power reserves. This agreement will help protect the grid by requiring generating reserves for those who choose to or may be subject to load-shedding needs. SWEENEY reported that MECA organized a training session with the Montana Sage Grouse Habitat Conservation Program, which he attended recently in Lewistown. MECA also organized an information session with BLM officials in Lewistown to build relationships across the state. Discussions included BLM's permitting process, large solar projects on BLM land, and cooperative history. SWEENEY gave a presentation on electricity 101 and said the meeting was helpful in developing relationships and bringing the two organizations together.

**10. MEETING REPORTS.**

- a. **BASIN ANNUAL MEETING; AUGUST 13-15.** PRESIDENT PAUL DESCHEEMAER, BRETT MAXWELL, JASON SWANZ, BOB EVANS, and CATHY KOMBOL reported on the Basin Annual Meeting they attended. They reported that Basin Electric Power Cooperative plans to have a rate increase in 2025.

**11. EXECUTIVE SESSION.**

- a. **ESTATE CAPITAL CREDITS.** The Board reviewed the list of estate capital credits for August 2024 totaling \$28,021.55, which were prepared by SENIOR BILLING CLERK ERIKA MATTALIANO. BRETT MAXWELL moved to affirm the retirements and JASON SWANZ 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.** MANAGER SWEENEY reported that TRANSFORMER REPAIRMAN MARK SCHWOMEYER will be participating in Leadership Central Montana. SWEENEY also reported that he will present the expense budget for 2025 at the next board meeting then the following month, he will present the capital budget 2025 for the board to review. At the December 6 board meeting, SWEENEY plans to present both the expense and capital budgets for board approval.

**13. FUTURE MEETINGS.**

- a. Safety Meeting; September 18, 2024
- b. FEC Board Meetings 2024 and 2025:
- i. October 3 – 2:00 p.m.
  - ii. October 31 - 10:00 a.m.
  - iii. December 6
  - iv. January 2, 2025
- c. NRECA Region 7/9 Meeting: Sacramento, CA; September 24-26
- d. MECA Annual Meeting: Great Falls, MT; October 1-3
- e. MECA Winter Board Meeting: Great Falls, MT; December 3-4
- f. Mid-West Electric Consumers Association Annual Meeting: Denver, CO; December 10-12

**14. NEWS FROM THE DISTRICTS.**

**ADJOURNMENT.** PRESIDENT PAUL DESCHEEMAER adjourned the meeting at 1:45 p.m.

SECRETARY



ATTEST: PRESIDENT

