

MINUTES
GENERAL BOARD MEETING, AUGUST 31, 2021
FERGUS ELECTRIC COOPERATIVE, INC.

- 1. GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session August 31, 2021, with PRESIDENT PAUL DESCHEEMAER calling the meeting to order at 9:02 a.m. JANINE RIFE DIDIER was scrivener. Board members in attendance were BRAD ARNTZEN, BOB EVANS, TERRY FROST, CATHY KOMBOL, BRETT MAXWELL, and JASON SWANZ. GENERAL MANAGER CARSON SWEENEY, LINE SUPERINTENDENT DALE RIKALA, OFFICE MANAGER SALLY HORACEK and CORPORATE COUNSEL KRIS BIRDWELL were also present. 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 August 5, 2021, general meeting and discussing them, BRETT MAXWELL moved their approval. JASON SWANZ 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. ROUNDUP SUBSTATION PROPERTY - ROAD TRIP/TOUR.** MANAGER CARSON SWEENEY reported that he and four staff members had toured the Roundup house that is located next to the Roundup substation and found it to be in good condition. The house is being cleaned and the Roundup substation property well water will be tested. SWEENEY would like the Board to join him in touring the Roundup depot shop, the 5.7 acres east of Roundup, which is the site of the proposed future office/shop/warehouse, the Musselshell river property, and the Roundup substation property. The Board agreed to schedule a tour of the properties for September 8.
 - 6. MUSSELHELL RIVER PROPERTY.** CORPORATE COUNSEL KRIS BIRDWELL presented a map and a non-exclusive access and utility easement agreement and covered the purpose and benefit of the documents.
 - 7. SCHOLARSHIPS.** GENERAL MANAGER CARSON SWEENEY recommended that Fergus Electric offer a financial award to the winner of the 2020 Youth Tour which was cancelled due to the Covid-19 pandemic. After a brief discussion, TERRY FROST moved to approve awarding a \$1,000 scholarship to the 2020 Youth Tour recipient. BRAD ARNTZEN seconded the motion, which carried unanimously.
- YOUTH TOUR 2022.** MANAGER SWEENEY reported that MECA is planning to host the Youth Tour to Washington, D. C. in 2022. After a brief discussion, TERRY FROST moved to approve sending one student to the MECA Youth Tour in 2022. BOB EVANS seconded the motion, which carried unanimously.
- 8. FINANCIAL AND OTHER MONTHLY REPORTS.** Financial and other monthly reports were presented to the Board for discussion. OFFICE MANAGER SALLY HORACEK reviewed the July 31, 2021, operating report. JANINE RIFE DIDIER reviewed the July 31, 2021, ratios report. The Board and staff had a good discussion concerning both finance reports. BOB EVANS asked MANAGER SWEENEY to provide a list of topics he expects to have covered during the 2021 Strategic Planning Session in December 2021.

9. OPERATIONS AND SAFETY REPORT. LINE SUPERINTENDENT RIKALA reported a fire started August 1st in the Bear Springs area. The cause of the fire, which is still under investigation, was likely ag related. Crews changed out six three-phase poles and eleven single-phase poles, with more poles needing changed before one line can be energized. The line crews installed a regulator bank east of the Utica Substation which has corrected voltage issues experienced from irrigation load in that area. RIKALA is still gathering information from SRS Dispatch to see if they can integrate our satellite radio. Anixter, the co-op's material provider is recommending utilities order transformers as soon as possible for the rest of this year and 2022. RIKALA said that the utility industry is experiencing material shortages and extended lead times. RIKALA said that the cost of tires is expected to increase 15-25 percent next year. RIKALA reported that NorthWestern Energy and Fergus Electric were unable to agree on the price of the 50kV breaker Fergus Electric was interested in. RIKALA reported that in-house tests of a generator transfer switch are complete. The co-op is satisfied and approves the installation of the equipment going forward. RIKALA reported that between Grass Range and the Bohemian Corner two transmission poles broke off during a microburst and were replaced.

10. AMI UPDATE. STAKING ENGINEER MELANIE FORAN, gave an AMI update to the Board, which covered a progress report, issues, and training as of the end of August 2021. The Board appreciated the information and complimented FORAN on her good report.

11. POWER OUTAGE REPORT. The Board reviewed the July 2021 Outage Report.

12. BOARD POLICY 222 – SALE OF MATERIAL, SERVICE EQUIPMENT, AND SERVICE TO MEMBERS. MANAGER SWEENEY told the Board that he and staff would like to update Board Policy 222 to represent the co-op's standard practice more accurately. The Board concurred. SWEENEY will present an updated version of Board Policy 222 at the next board meeting.

13. BOARD POLICY 224 – MARKETING ELECTRICITY, SERVICES, AND PRODUCTS. After reviewing and discussing the subject matter of Policy 224, Marketing Electricity, Services, and Products, BOB EVANS moved to eliminate Board Policy 224 as of 08/31/2021. TERRY FROST seconded the motion, which carried unanimously.

14. REPORT OF CORPORATE COUNSEL. CORPORATE COUNSEL KRIS BIRDWELL reported that it had been a very busy month having worked on several items of importance to the cooperative, i.e., issues pertaining to the co-op's Roundup properties and estate capital credit matters.

15. MANAGER'S REPORT. GENERAL MANAGER CARSON SWEENEY reported that MECA held a phone call with a few Montana managers to discuss Sage Grouse and a potential upcoming Endangered Species Act listing. Managers were encouraged to contact Montana's senators and inform them of the heavy financial burden an ESA listing would be to our members. SWEENEY said that he called the office of SENATOR JON TESTER. SWEENEY will report as more information becomes available on this topic. SWEENEY reported that he, OFFICE MANAGER SALLY HORACEK and PAYROLL ADMINISTRATOR JANINE RIFE DIDIER traveled to Gillette, Wyoming on August 17th to attend the Members 1st meeting. PRESIDENT PAUL DESCHEEMAERKER attended via zoom. DESCHEEMAERKER and SWEENEY reported on the Members 1st meeting. SWEENEY said that after the meeting, several of the people who attended met for an enjoyable dinner. SWEENEY and staff were glad to have attended in person. SWEENEY reported that Basin Telecommunications, Inc. aka BTInet which has hosted our email service since email first became available at Fergus Electric will no longer host our email and internet service as of September. RICK WALTEBAUGH, owner of LEWISTOWN PC REPAIR, contacted Lower Yellowstone on Fergus Electric's behalf, since they manage the co-op's server and antivirus, and they are willing to take over hosting our email and internet service via Microsoft 365. WALTEBAUGH and JANINE RIFE DIDIER are working with Lower Yellowstone to switch Fergus Electric over to Microsoft 365. RICK WALTEBAUGH hopes to retire in the next couple of years, but until then he will continue to manage our local IT needs and service and repair our PCs. The switch over was scheduled for Friday, August 27th and went smoothly.

16. NRECA REGION 9 MEETING - CFC VOTING DELEGATE – BOARD ACTION. After a brief discussion BOB EVANS moved to appoint CATHY KOMBOL as the voting delegate for District 9 (CFC). BRAD ARNTZEN seconded the motion, which carried unanimously. The NRECA Region 9 Meeting will be held in Las Vegas on September 28-30, 2021.

17. MECA ANNUAL MEETING. After a brief discussion, CATHY KOMBOL said that she will be the alternate to sit in for TERRY FROST at the MECA meetings, if he is unable to attend. PAUL DESCHEEMAERKER told the directors to let SALLY HORACEK know if they plan to attend the Montana Electric Cooperatives' Association (MECA) Annual Meeting in Great Falls, October 4-6, 2021. The General Board Meeting Minutes from August 5, 2021 incorrectly recorded MECA's meeting dates as October 6-8, 2021.

18. SAFETY. LINE SUPERINTENDENT DALE RIKALA reported that the August 11th safety meeting included a field trip to the Hilger Substation. DAVID MOHR, with Anixter, discussed relay settings, breaker operations and how to calculate fault distance from the breaker during an outage. MOHR presented a power point on Cooper's Form 6 electronic reclosure control. RIKALA said that on September 15th, LORI SLABODA, with NRECA, will present an annual update on our insurance and retirement benefits and BILL HANLEY, with Testing with Integrity, will give a presentation on the drug and alcohol testing required for employees who have a Commercial Driver License (CDL).

19. ESTATE CAPITAL CREDITS. The Board reviewed the August 2021 list of estate capital credits in the amount of \$7,951.03 prepared by SUSAN HINKLEY. BRETT MAXWELL moved to affirm the retirements and JASON SWANZ seconded the motion, which carried unanimously.

20. DELINQUENT ACCOUNTS/NEW MEMBERS LIST. The Board reviewed the delinquent accounts showing those that were paid in full and those that were still owing.

21. OTHER BUSINESS.

22. FUTURE MEETINGS.

- a. Safety Meeting, September 15
- b. PRECorp/Members 1st Board Meeting, September 21
- c. FEC Board, September 30
- d. NRECA Region 9 Meeting, September 28-30
- e. MECA Annual Meeting October 4-6
- f. Basin Electric Cooperative Annual Meeting, November 9-11

23. NEWS FROM THE DISTRICTS.

24. ADJOURNMENT. PRESIDENT PAUL DESCHEEMAERKER adjourned the meeting at 2:45 p.m.

SECRETARY

ATTEST: PRESIDENT