

**MINUTES
GENERAL BOARD MEETING, JANUARY 27, 2022
FERGUS ELECTRIC COOPERATIVE, INC.**

- 1. GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session January 27, 2022, with PRESIDENT PAUL DESCHEEMAEKER calling the meeting to order at 10:05 a.m. JANINE RIFE DIDIER was scrivener. Board members in attendance were BRAD ARNTZEN, CATHY KOMBOL, and BRETT MAXWELL. BOB EVANS and TERRY FROST attended via conference call. GENERAL MANAGER CARSON SWEENEY, LINE SUPERINTENDENT DALE RIKALA, OFFICE MANAGER SALLY HORACEK and CORPORATE COUNSEL KRIS BIRDWELL were also present. The attendees recited the Pledge of Allegiance.
- 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 December 3, 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. NRECA POWERXCHANGE.** MANAGER SWEENEY reviewed the schedule and travel plans and confirmed those attending the NRECA PowerXchange meeting scheduled March 4-9 in Nashville, Tennessee. After a brief discussion concerning voting delegates, BRETT MAXWELL moved to keep voting delegates the same at NRECA's Annual Meeting naming PAUL DESCHEEMAEKER as Voting Delegate and CARSON SWEENEY as Alternate. JASON SWANZ seconded the motion, which carried unanimously.
- 6. UNION NEGOTIATIONS.** MANAGER SWEENEY reported that the negotiation discussions will occur in 2022 as the current Union Agreement will expire December 25, 2022. MANAGER SWEENEY, BOB EVANS and CORPORATE COUNSEL KRIS BIRDWELL will participate in the union contract negotiation meetings. SWEENEY anticipated the parties will meet approximately three times during April and May.
- 7. NOMINATING COMMITTEES – DISTRICTS 1 AND 6.** OFFICE MANAGER SALLY HORACEK reported that PAUL DESCHEEMAEKER AND JASON SWANZ are up for reelection. HORACEK asked the directors to provide her with the names of members in each of their districts who have volunteered to serve on the nominating committees. The directors will report back to her as soon as possible.
- 8. FERGUS ELECTRIC COOPERATIVE'S 84TH ANNUAL MEETING.** MANAGER SWEENEY announced that the 2022 annual meeting of the cooperative is scheduled for Thursday, June 9, 2022.
- 9. 2022 BUDGET REVIEW.** MANAGER SWEENEY reviewed the 2022 Strategic Goals and Objectives Budget that he has proposed. SWEENEY reported that AUDITOR, CORY WHEELER recommended ending the current AMI work order at the end of the February 2022 pay period and posting all remaining costs that will incur during the final installation of the AMI system to a new, second AMI work order. This will allow the depreciation process to begin on the installed special equipment. SWEENEY answered questions and the Board provided positive comments on the budget format and content, after which BRAD ARNTZEN moved to approve the 2022 Budget as presented. CATHY KOMBOL seconded the motion, which carried unanimously.

BA

10. NATIONAL RURAL UTILITIES COOPERATIVE FINANCING CORPORATION/RURAL UTILITIES SERVICE DISCUSSION. MANAGER CARSON SWEENEY and OFFICE MANAGER SALLY HORACEK covered the process involved to pay off Rural Utilities Service (RUS) notes and become a one hundred percent Cooperative Financing Corporation (CFC) borrower. SWEENEY and HORACEK explained that the financial accounting principles, records, accounts, entries and reporting methods and procedures would remain as is. Everyone discussed the advantages and disadvantages of the cooperative changing financial institutions. After considerable discussion, JASON SWANZ moved to initiate the process to prepay all qualified RUS notes to become a one hundred percent CFC borrower. CATHY KOMBOL seconded the motion, which carried unanimously.

11. FINANCIAL AND OTHER MONTHLY REPORTS. Financial and other monthly reports were presented to the Board for discussion. OFFICE MANAGER SALLY HORACEK reviewed the November 30, 2021, and December 31, 2021, operating reports. JANINE RIFE DIDIER reviewed the November 30, 2021, and December 31, 2021, ratios reports.

12. OPERATIONS AND SAFETY REPORT. LINE SUPERINTENDENT RIKALA complimented the Central Montana Medical Center Wellness Clinic for providing an onsite panel screening on January 12th which analyzed participant's blood for cardiovascular disease, thyroid disease, and diabetes. Body Mass Index, blood pressure and vital signs were also taken. Results were mailed to participants afterwards. Lewistown Fire Department's FIRE MARSHALL MIKE DAVIS will instruct First Aid/CPR Training during the co-ops February 16th safety meeting. SRS dispatch began answering afterhours calls for the co-op on January 3, 2022. RIKALA and MANAGER SWEENEY were pleased to report that the transition has been very smooth. RIKALA said that he liked the detailed outage call reports that SRS emails after a lineman is dispatched. RIKALA said that the linemen are pleased with SRS too. RIKALA reported that Stahly Engineering submitted the co-op's Horsethief Road property survey to Musselshell County for approval. If approved, the property will be subdivided from two parcels into three. CORPORATE COUNSEL KRIS BIRDWELL will work with Musselshell County Planning Office and Stahly Engineering to finalize the paperwork for the sale of a parcel of the Horsethief Property to DONALD and JOANNE TOMLIN. RIKALA gave an update on the proposed Roundup office/shop. RIKALA reported that Altec has installed the service body on one of the 2022 Ford F-350s noting that the rear step/bumper is too light duty. Altec is researching the option of adding a heavier bumper. The second truck is scheduled to be built in March. Altec will quote a serviceman bucket for the 2023 budget. If the truck were ordered now, expected delivery date would be late 2023. RIKALA provided an update on the co-op working with the local distributor to resolve a couple of issues with the manufacturer regarding the new flatbed trailer purchased to haul Lewistown's trencher/backhoe. RIKALA said he had received a quote from a tree trimmer on the cost to hire a three-man crew with a bucket truck and chipper for a week but was told that the quote would not be valid after May as prices will increase.

13. INVENTORY OF WORK ORDERS. After reviewing the Form 219 Inventory of Work Orders No. 605-605X for \$214,637.37 and 605-605X (A) for \$53,651.63, dated December 31, 2021, BRETT MAXWELL moved to approve them. TERRY FROST seconded the motion, which carried unanimously.

14. ENGINEERS' SUMMARY OF 2021 CONSTRUCTION WORK. ENGINEERS DAN BALSTER, MELANIE FORAN, and SCOTT OLSON gave a fine oral presentation covering the construction completed in 2021. They provided a written version of the year-end report as well.

15. POWER OUTAGE REPORT. The Board reviewed the November and December 2021 Outage Report.

16. BOARD POLICY 226 - GRIEVANCE AND ARBITRATION PROCEDURE. MANAGER SWEENEY presented Board Policy 226 for consideration. After a brief discussion, JASON SWANZ moved to approve Policy 226 - Grievance and Arbitration Procedure as amended. BRAD ARNTZEN seconded the motion, which carried unanimously.

17. BOARD POLICY 228 - BLOODBORNE PATHOGEN EXPOSURE CONTROL PLAN FOR NON-HEALTH CARE FACILITY. The Board reviewed Board Policy 228.

18. REPORT OF CORPORATE COUNSEL. CORPORATE COUNSEL KRIS BIRDWELL reported that he has kept busy working on several items of importance to the cooperative.

19. MANAGER'S REPORT. GENERAL MANAGER CARSON SWEENEY reported that Fergus Electric had donated \$1,000 each to 19 volunteer fire departments in our service area that had participated in fire suppression on behalf of the cooperative and/or its members and in turn the co-op received many nice thank yous. MANAGER SWEENEY reported how pleased he was with everyone's effort and contribution during the co-op's strategic planning session. SWEENEY reported on the rate survey conducted by MECA and provided an update on the sage-grouse issues and wildfire mitigation that were the focus of a conference call initiated by MECA. SWEENEY reported an over generation letter was recently sent to net metered members who generated more kilowatt hours in the year than they used. SWEENEY reported that he and the co-op's supervisors had met with each employee on an individual basis and that he appreciated the discussions and opportunity to hear opinions on multiple topics. SWEENEY reviewed items that are an ongoing concern to the co-op, i.e., vegetation management, pole testing, and cyber security.

20. STRATEGIC PLANNING SESSION. MANAGER SWEENEY, the Board of Directors and the staff members who had participated in the strategic planning session discussed and reviewed the 2021 session. Each person provided positive feedback and it was unanimous that the group felt this was the best strategic planning session to date.

21. MEMBERS 1ST/BASIN UPDATE. GENERAL MANAGER CARSON SWEENEY reported on the December 21 and January 18 meetings.

22. EXECUTIVE SESSION. At 2:55 p.m. BRAD ARNTZEN moved to go into executive session for the purpose of conducting the corporate counsel annual review. JASON SWANZ seconded the motion, which carried unanimously.

23. ESTATE CAPITAL CREDITS. The Board reviewed the list of estate capital credits for November 2021 totaling \$12,736.34; for December 2021 totaling \$8,859.07; and for January 2022 totaling \$24,257.23, which were prepared by SUSAN HINKLEY. BRETT MAXWELL moved to affirm the retirements and BRAD ARNTZEN seconded the motion, which carried unanimously.

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

25. RESUME GENERAL SESSION. At 3:17 p.m. BRETT MAXWELL moved to resume general session. BRAD ARNTZEN seconded the motion, which carried unanimously.

26. OTHER BUSINESS.

27. FUTURE MEETINGS.

- a. PRECorp Board Meeting, February 15
- b. Safety Meeting, February 16
- c. Basin Winter Managers Conference, February 23-24
- d. FEC Board Meetings in 2022: February 24; and March 31
- e. NRECA PowerXchange, Nashville, March 4-9
- f. MECA Spring Board Meeting, April 5-7
- g. NRECA Legislative Conference, May 1-3
- h. Fergus Electric Annual Meeting, June 9

28. NEWS FROM THE DISTRICTS.

29. ADJOURNMENT. PRESIDENT PAUL DESCHEEMAERKER adjourned the meeting at 3:48 p.m.

SECRETARY

Bradley Arntz

ATTEST: PRESIDENT

Paul Descheemaeker