

MINUTES
GENERAL BOARD MEETING, AUGUST 5, 2021
FERGUS ELECTRIC COOPERATIVE, INC.

1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session August 5, 2021, with PRESIDENT PAUL DESCHEEMAER calling the meeting to order at 9:00 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, and LINE SUPERINTENDENT DALE RIKALA were also present. CORPORATE COUNSEL KRIS BIRDWELL participated via phone. OFFICE MANAGER SALLY HORACEK was absent. The Pledge of Allegiance was recited.
2. **APPROVAL OF AGENDA.** After reviewing the meeting agenda, BRETT MAXWELL moved to approve it as amended. BRAD ARNTZEN seconded the motion, which carried unanimously.
3. **APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of the June 24, 2021, general meeting and discussing them, BRETT MAXWELL moved their approval. BRAD ARNTZEN 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. DONALD and JOANN TOMLIN, Roundup co-op members, met with the Board to announce that they are interested in purchasing the excess acreage next to the co-op's Roundup Substation. The substation property is a piece of land that was sold to Fergus Electric by the Tomlin family several years ago and joins land currently owned by DONALD AND JOANN TOMLIN. MANAGER SWEENEY said that the co-op plans to retain a minimum of three acres to create a buffer between the substation but is willing to sell the remaining approximately 10.8 acres. In addition to the land, a house, garage, shop, and working water well located on the co-op's property need to be considered. Fergus Electric will retain the shop. Potentially, access to the well could be negotiated with a new landowner. Another co-op member, GARY ELIASSON of Roundup, has expressed interest in purchasing the house and moving it off the property, independent of a land sale. MANAGER SWEENEY will have Roundup ASSISTANT LINE SUPERINTENDENT, BRET NELLERMOE contact ELIASSON to see if he is still interested in purchasing and moving the house. SWEENEY expects to report to the Board prior to the August 31st board meeting regarding the sale and removal of the house. The Board thanked the TOMLINS for attending the meeting and said that a decision will need to be made concerning the house before they move forward with the sale of the land.
5. **ANNUAL MEETING MINUTES REVIEWED.** The Board reviewed the minutes of the June 10, 2021, annual meeting and had no requests for changes. The minutes will be approved by the membership at the Annual Meeting in 2022.
6. **MUSSELSHELL RIVER PROPERTY.** CORPORATE COUNSEL KRIS BIRDWELL reported that he would like to present more information and documentation relative to the Musselshell River property at the next board meeting. The Board concurred.
7. **SCHOLARSHIPS.** GENERAL MANAGER CARSON SWEENEY reported that Fergus Electric was contacted by one of its members whose child was a winner of the 2020 Youth Tour winner, which was subsequently cancelled due to the Covid-19 pandemic. The parent wondered if an alternative award was being offered. MANAGER SWEENEY said that he will contact RYAN HALL, COMMUNICATIONS DIRECTOR at MECA, and ask if anything is being offered to the students who had won the 2020 Youth Tour to Washington, D.C. The winners chosen to go on the 2020 tour have since aged out making them ineligible to take part in a future tour.
8. **FINANCIAL AND OTHER MONTHLY REPORTS.** Financial and other monthly reports were presented to the Board for discussion. GENERAL MANAGER CARSON SWEENEY reviewed the June 30, 2021, operating report in OFFICE MANAGER SALLY HORACEK'S absence. JANINE RIFE DIDIER reviewed the June 30, 2021, ratios report.

9. **CFC LOAN – RESOLUTION.** The Board reviewed and executed the CFC Loan Resolution for a ten-million-dollar line of credit good for five years. The resolution is being done in conjunction with the CFC loan, which was approved during the board meeting on June 24th. A copy of the resolution is attached.

10. **OPERATIONS AND SAFETY REPORT.** LINE SUPERINTENDENT RIKALA reported that to date, 4,000 meters have been changed in the following substations: Ruby Gulch, Glengarry, Kolin, Carters Pond, Hilger, Winifred, Roy, Grass Range, Winnett Junction, Roundup, Straw, and Cottonwood (Lavina). Local electricians have changed out 2,148 of those meters at an average cost of \$28.41 per meter. RIKALA updated the Board on several new single- and three-phase services that have been staked by the co-op's engineers. RIKALA noted that MANAGER SWEENEY, ASSISTANT LINE SUPERINTENDENT BRET NELLERMOE AND STAKING ENGINEER SCOTT OLSON had attended the Understanding the Work Order System class, hosted by MECA in Great Falls. The class provided an understanding of the general flow and essentials of work orders. It also taught students how the co-op's budget is affected by charges to accounts. RIKALA reported that he and MANAGER SWEENEY joined representatives from NorthWestern Energy and Basin Electric on a conference call to discuss adding a breaker in NorthWestern Energy's Roundup City Substation for Fergus Electric. The breaker would provide a beneficial separation of Fergus Electric's transmission lines. The current estimated price is too costly. NorthWestern Energy will review the estimated price to see if it could be reduced. RIKALA reported that the co-op had been awarded the bid for 142 10-year-old red cedar treated power poles from the Keystone XL Pipeline project at four hundred ninety-six dollars per pole and five dollars per loaded mile to deliver. The Board commended RIKALA for his good work.

11. **INVENTORY OF WORK ORDERS.** After reviewing the Form 219 Inventory of Work Orders No. 603-603X for \$113,944.41 and 603-603X (A) for \$8,674.27, dated June 30, 2021, JASON SWANZ moved to approve them. BRETT MAXWELL seconded the motion, which carried unanimously.

12. **POWER OUTAGE REPORT.** The Board reviewed the June 2021 Outage Report.

13. **BOARD POLICY 221 – EMPLOYEE/TRUSTEE TRAINING AND DEVELOPMENT.** The Board reviewed Policy 221.

14. **BOARD POLICY 223 – EMPLOYEE USE OF COOPERATIVE VEHICLES AND EQUIPMENT.** The Board reviewed Policy 223.

15. **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.

16. **MANAGER'S REPORT.** GENERAL MANAGER CARSON SWEENEY reported that after he and PRESIDENT PAUL DESCHEEMAERKER attended the Basin Electric Cooperative Board meeting in June, the Basin Board unanimously passed a resolution to remove the parity adder assessed to Fergus, effective January 2022. Basin staff is currently working on revising the wholesale power agreement with Members 1st Power Cooperative. The wholesale power contract and parity adder were discussed. The Basin Board members were appreciative of the meeting. SWEENEY reported that he attended PRECorp's general board meeting in Sundance on his way to the Basin Manager's conference in Deadwood, South Dakota. Basin expects to have stable rates for the foreseeable future. SWEENEY proposed a few topic ideas for the 2021 Strategic Planning session planned for this fall. Some items on the list were rates, 5–10-year infrastructure plan, and the Roundup building. ERIC ANDERSON with CFC will be the principal facilitator. PRESIDENT DESCHEEMAERKER suggested inviting a representative from Basin Electric Power Cooperative to talk about the advantages of being a member of Basin. MANAGER SWEENEY reported that a local electrician is advocating members install a specific generator transfer switch. Before the co-op makes a recommendation, the serviceman/meter technician is conducting a few tests on the device. If the co-op offers the generator transfer switch to its members, the co-op will want its employees to do the installation, since it is inserted between the meter socket and the meter.

17. NRECA REGION 9 VOTING DELEGATES - BOARD ACTION. After a brief discussion, JASON SWANZ moved to appoint PAUL DESCHEEMAER as the voting delegate and CARSON SWEENEY as the voting alternate at the NRECA Region 9 meeting, September 28-30 in person in Las Vegas, Nevada and via the internet. BRETT MAXWELL seconded the motion, which carried unanimously.

18. MECA ANNUAL MEETING VOTING DELEGATES - BOARD ACTION. After a brief discussion, TERRY FROST moved to appoint BRAD ARNTZEN as second voting delegate and CATHY KOMBOL as alternate second voting delegate. JASON SWANZ seconded the motion, which carried unanimously. As Fergus Electric Co-op's representative on the MECA Board of Directors, TERRY FROST is the primary voting delegate.

19. MECA ANNUAL MEETING - TODAY'S MEMBERS. After a brief discussion, the Board approved selecting SUE and MONTE WERDIN to participate in the Today's Members Program, which is held in conjunction with the Montana Electric Cooperatives' Association (MECA) annual meeting, October 6-8 in Great Falls, Montana. The Today's Members program is a workshop forum including presentations from rural electric leaders, legislators, industry professionals, and other knowledgeable individuals.

20. MECA ANNUAL MEETING - COMMITTEE APPOINTMENT - BOARD ACTION. After a brief discussion, BOB EVANS moved to appoint CARSON SWEENEY to the Legislative Committee at MECA. BRAD ARNTZEN seconded the motion, which carried unanimously.

21. BASIN ANNUAL MEETING - AUTHORIZED REPRESENTATIVE APPOINTED. After a brief discussion, BRETT MAXWELL moved to appoint JASON SWANZ as the authorized representative and CARSON SWEENEY as the second authorized representative to the Basin annual meeting, November 9-11. TERRY FROST seconded the motion, which carried unanimously.

22. SAFETY. LINE SUPERINTENDENT DALE RIKALA reported that MECA'S SAFETY/LOSS CONTROL INSTRUCTOR TROY KAMPS presented Pre-Post Trip Inspections, Job Briefings, and Active Shooter at the July 15th safety meeting. The August 11th safety meeting will include discussion on substation training and breaker and relay training. DAVID MOHR, with Anixter, will present these topics.

23. ESTATE CAPITAL CREDITS. The Board reviewed the July 2021 list of estate capital credits in the amount of \$2,652.77 prepared by SUSAN HINKLEY. JASON SWANZ 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. The second quarter 2021 list of write offs for \$963.23 was reviewed. A list of new members was also reviewed.

25. EXECUTIVE SESSION. At 2:12 p.m., BOB EVANS moved to go into executive session to conduct the General Manager's annual review. BRAD ARNTZEN seconded the motion, which carried unanimously.

26. RATIFY DISCUSSION DURING GENERAL SESSION. At 3:57 p.m., BRETT MAXWELL moved to come out of executive session and to approve the salary offered to GENERAL MANAGER CARSON SWEENEY. TERRY FROST seconded the motion, which carried unanimously.

27. OTHER BUSINESS.

28. FUTURE MEETINGS.

- a. Safety Meeting, August 11
- b. PRECorp/Members 1st Board Meeting, August 17
- c. PRECorp Annual Meeting, August 21
- d. FEC Board, August 31, and October 1
- e. NRECA Region 9 Meeting, September 28-30
- f. MECA Annual Meeting October 6-8
- g. Basin Electric Cooperative Annual Meeting, November 9-11

29. **NEWS FROM THE DISTRICTS.**

30. **ADJOURNMENT.** PRESIDENT PAUL DESCHEEMAEKER adjourned the meeting at 4:32 p.m.

SECRETARY  ATTEST: PRESIDENT 