

MINUTES
GENERAL BOARD MEETING, OCTOBER 30, 2025
FERGUS ELECTRIC COOPERATIVE, INC.

- 1. GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative, Inc. Board of Trustees met in general session October 30, 2025, with PRESIDENT TERRY FROST calling the meeting to order at 10:08 a.m. JANINE RIFE DIDIER was scrivener. The Board Members in attendance were BRAD ARNTZEN, PAUL BRADY, CATHY KOMBOL, BRETT MAXWELL, and JASON SWANZ. BOARD DIRECTOR BOB EVANS was traveling out of the United States and participated by telephone. Other attendees included GENERAL MANAGER CARSON SWEENEY, and LINE SUPERINTENDENT BRET OPHUS. OFFICE MANAGER SALLY HORACEK and CORPORATE COUNSEL KRIS BIRDWELL were unable to attend. The attendees recited the Pledge of Allegiance.
- 2. APPROVAL OF AGENDA.** After reviewing the October 30, 2025, meeting agenda, CATHY KOMBOL moved to approve it. BRETT MAXWELL seconded the motion, which carried unanimously.
- 3. MINUTES APPROVAL.** After reviewing the general board meeting minutes of September 25, 2025, and discussing them, BRETT MAXWELL, moved to approve them. JASON SWANZ seconded the motion, which carried unanimously.
- 4. PUBLIC COMMENT PERIOD.** No one from the public appeared.
 - a. WILDFIRE MITIGATION PLAN PUBLIC COMMENT PERIOD: 12:00 P.M. – 1:00 P.M.** MANAGER SWEENEY said that the 45-day public review and comment period which ran from September 15, 2025, through October 30, 2025, for the Wildfire Mitigation Plan, would conclude today at 1:00 p.m.
- 5. PLANNING.**
 - a. 2026 CAPITAL BUDGET REVIEW - ENGINEERS.** GENERAL MANAGER CARSON SWEENEY reported that the 2026 capital project total is \$5,607,800. STAKING ENGINEERS SCOTT OLSON, DAN BALSTER, PE, and MELANIE FORAN, PE, and MECHANIC JASON MILLS each gave power point presentations regarding the capital projects planned for 2026 that they will oversee.
 - i. 2026 POLE CHANGES AND SYSTEM IMPROVEMENTS.** SCOTT OLSON reported that the pole testing program and pole change outs from system improvements will continue in 2026. The 2026 budget for pole testing pole changes is \$750,000 at \$2,500 per pole and the pole changes from system improvements is \$625,000. The co-op plans to replace approximately 8.5 miles of primary underground cable in 2026 as multiple outages have occurred in recent years due to the 46-year-old unjacketed cable. The underground replacement will include 5.5 miles on Christina West Road and 3 miles on South Fork Road in the Little Belt Mountains. The budgeted amount for underground is \$450,000. In the Roundup area, plans are to reroute a power line, moving an inaccessible overhead line to accessible location and bury power line across an irrigated field. The power line is currently difficult to access, and the poles are washing out. The 2026 budget for system improvements is \$300,000.
 - ii. 2026 RECLOSER REPLACEMENT PROJECT, SUBSTATION REBUILD, AND TRANSFORMER REPLACEMENT/REFURBISHMENT.** DAN BALSTER, PE reported on the recloser replacement project by substation for 2026. BALSTER presented a slide showing details of the recloser replacement project from 2023 to 2028. The scheduled 2026/2027 recloser replacement costs with equipment, estimated labor, and studies are projected to cost \$1.11 million. BALSTER talked about plans to complete engineering of the Winnett Junction Substation in 2026. Depending on how the Carter's Substation rebuild goes, which is currently in progress, the co-op will plan to utilize additional substation steel from Lower Yellowstone Rural Electric Cooperative and build the substation in 2027. The estimated cost to engineer the project is \$100,000. BALSTER said that since 2019, the co-op has seen a consistent increase in loading on the North Roundup Transformer. The plan is to order a new, larger transformer for North Roundup in 2026 and ship the old transformer to Solomon to be refurbished, after which it would be installed in the Winnett Junction Substation Rebuild in 2027. Cost for a new 5 MVA transformer is \$450,000.

- iii. **2026 METER/AMI EQUIPMENT, REACTIVE/PROACTIVE METER UPGRADES AND HILGER TO ROY TRANSMISSION PROJECT.** MELANIE FORAN, PE provided the Board with a detailed meter/AMI equipment order for 2026, which would cost approximately \$145,000 with relays and access points. FORAN reported that the 2026 Budget includes \$25,000 for upgrading 7-10 sites, with external CTs for metering, compared to 6 sites that were upgraded thus far in 2025. FORAN said that the engineering, software, and surveying for the Hilger to Roy Transmission project is included in the 2026 budget at a cost of \$250,000.
- iv. **2026 FLEET REPLACEMENTS/ADDITIONS/ATTACHMENTS, TOOLS, AND FACILITY UPGRADES.** JASON MILLS reported that the total 2026 fleet capital budget is \$788,300. This includes \$536,500 for fleet replacement based on age, usage, and downtime and \$251,500 for fleet additions related to equipment used for vegetation management, wildfire mitigation and storm cleanup and repair. The 2026 budget includes \$247,000 for moving the mechanic's area into the truck garage, which includes construction of a new office and additional equipment for moving the mechanic's area and \$105,500 for facility upgrades for Lewistown and Roundup. The Board thanked the staff for their thorough presentations. A period of discussion followed.

- b. **MIDWEST ELECTRIC CONSUMERS ASSOCIATION ANNUAL MEETING DELEGATES.** GENERAL MANAGER CARSON SWEENEY reviewed the information provided for the upcoming meetings, which will be held in Denver, Colorado, December 9-11, 2025. After a period of discussion, by a voice vote, VICE PRESIDENT JASON SWANZ is alternate and SECRETARY TREASURER BRAD ARNTZEN is the voting representative.

6. FINANCIAL AND OTHER MONTHLY REPORTS. Staff presented financial and other monthly reports to the Board for discussion.

- a. **FINANCIAL REPORTS.** GENERAL MANAGER CARSON SWEENEY reviewed the September 30, 2025, Form 7 operating report in OFFICE MANAGER SALLY HORACEK'S absence. The Board reviewed the Weighted Average Cost of Capital prepared by HORACEK. BRETT MAXWELL moved to approve the Weighted Average Cost of Capital as presented for 2024 at 9.40 percent. VICE PRESIDENT JASON SWANZ seconded the motion, which carried unanimously. JANINE RIFE DIDIER reviewed the September 30, 2025, ratios report.
- b. **OPERATIONS AND SAFETY REPORT.** LINE SUPERINTENDENT BRET OPHUS reported that the October 14 Safety meeting was an in-house meeting. Staff reviewed close calls, read chapters 6 and 7 from the safety manual, and reviewed Board Policy 231 – Controlled Substances and Alcohol Use. The entire co-op staff did practical training on fire drills and Mayday calls, and the operations staff looked up products using the new Safety Data Sheet App. MECA SAFETY INSTRUCTOR BILL DOTY will lead the November 13 Safety Meeting instructing staff on Confined Space Entry and Rescue, Excavations and Trenching. OPHUS announced that the co-op's newest hire ROW GROUNDMAN TRAVIS McALPIN started work on September 29, 2025. McALPIN will work with ROW SPECIALIST JAKE deROSIER. OPHUS reported that a line worker who was unable to accept the co-op's initial employment offer is now available. JOURNEYMAN LINEMAN ELIJAH DYE will start working for Fergus Electric on February 2, 2026. On November 3, 2025, new hire, GROUNDMAN LINEMAN BRYCE ALEXANDER started work. The Roundup staking engineer position will remain open until filled. OPHUS reported that extensive work continues to upgrade our inventory to RESCO's bar coding. The engineers compiled the list of work to complete in 2025 while continuing to receive requests for line extensions. The operations team has sectionalizing, pole testing, pole changes, P1 and P2 maintenance tickets, and drone patrol to complete this year. Red Rock has a crew in the Buffalo area doing pole changes with conductor upgrades. Next, they will be in the Winnett area replacing 85 failed poles found during our pole testing. Rocky Mountain Power is currently working on the foundations for the Carter's Substation structure, the transformer, and regulators. Rocky Mountain did move back to Taber Sub for a short while to finish graveling and other final details. They are waiting for the control building, the final piece of that project. Fergus Electric' crews remain busy. In Winifred, nearly all line relocation for street, gutter and sidewalk is complete. Line extensions have not slowed down much. Pole testing is a priority. Out of the 7,000 poles to be tested in 2025, about 1,800 remain.

- c. **INVENTORY OF WORK ORDERS.** After reviewing Inventory of Work Orders No. 643-643X for \$258,118.06 dated September 30, 2025, JASON SWANZ moved to affirm them. CATHY KOMBOL seconded the motion, which carried unanimously.
- d. **POWER OUTAGE REPORT.** LINE SUPERINTENDENT BRET OPHUS reviewed the September 2025 Outage Report prepared by STAKING ENGINEER MELANIE FORAN, PE.

7. POLICIES.

a. Review:

- i. **208 – NON-INDIVIDUAL ENTITIES VOTING AT ANNUAL MEETING.** The Board reviewed Board Policy 208.
- ii. **209 – SAFETY.** The Board reviewed Board Policy 209.
- iii. **209.1 – ACCIDENT INVESTIGATION.** The Board reviewed Board Policy 209.1.

8. REPORT OF CORPORATE COUNSEL. CORPORATE COUNSEL KRIS BIRDWELL was absent.

9. MANAGER'S REPORT. GENERAL MANAGER CARSON SWEENEY covered items included in his written report. SWEENEY reported that he communicated the rate changes to general service members via Rural Montana magazine. SWEENEY also included the rate schedule graphic on the bills for the rest of the year. Industrial members as well as the Air Force have been notified of the impending rate increase. SWEENEY said that he and STAKING ENGINEER MELANIE FORAN, PE met with the McCone Electric Cooperative Board. Discussion covered Fergus Electric's implementation of a demand charge leading up to 2024, the co-op's cost-of-service study, the project to improve the design/layout of bills, and the co-op's many communications with the membership. FORAN provided them with a rate spreadsheet which she developed that included McCone metering data.

10. MEETING REPORTS.

- a. **MECA ANNUAL MEETING: SEPTEMBER 30 – OCTOBER 1, 2025.** PRESIDENT TERRY FROST led the discussion reviewing the MECA Annual Meeting the board members attended in Great Falls. Each Board Director reviewed the committee meetings and gave an overall review of the event.
- b. **NRECA REGION 7/9: OCTOBER 6-8; BELLEVUE, WA – BOB.** BOB EVANS talked about the meeting he and GENERAL MANAGER CARSON SWEENEY attended. Approximately 35 people attended a class that EVANS attended on Communicating with your CEO. EVANS said that it was a good class. SWEENEY said that it was his first NRECA Region 7/9 meeting. He liked the smaller number of attendees and enjoyed the meeting overall.

11. EXECUTIVE SESSION.

- a. **ESTATE CAPITAL CREDITS.** The Board reviewed the list of estate capital credits for October 2025 totaling \$7,454.92, which were prepared by SENIOR BILLING CLERK ERIKA MATTALIANO. BRETT MAXWELL moved to affirm the retirement and PAUL BRADY 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. There were no write-offs for the third quarter of 2025.

12. OTHER BUSINESS.

13. NEWS FROM THE DISTRICTS.

14. FUTURE MEETINGS.

- a. Safety Meeting; November 13, 2025
- b. FEC Board Meetings 2025:
 - i. November 25 – 10:00 a.m.
 - ii. December 19 – 1:00 p.m.
 - iii. January 29 – 10:00 a.m.
 - iv. February 24 – 10:00 a.m.
- c. MECA Winter Meeting: Great Falls, MT; December 2-3
- d. MidWest Electric Consumers Association Annual Meeting: December 9-11; Denver, CO
- e. Members 1st Board Meeting: December 15, Gillette, WY
- f. Fergus Electric Cooperative Christmas Party, December 19, Yogo Inn, Lewistown, MT

15. NEWS FROM THE DISTRICTS.

ADJOURNMENT. PRESIDENT TERRY FROST adjourned the meeting at 2:25 p.m.

SECRETARY _____

ATTEST: PRESIDENT

