

# F E R G U S

## FEATURES

Member Newsletter ♦ Fergus Electric Cooperative, Inc., Lewistown, MT ♦ [www.ferguselectric.coop](http://www.ferguselectric.coop)



Transmission poles in the Spion Kop area were snapped all the way down the line. | **FERGUS ELECTRIC PHOTO**



After days of hard work, the poles were replaced in the Spion Kop area and electric service was restored. | **FERGUS ELECTRIC PHOTO**



## MANAGER'S MESSAGE

From Carson Sweeney

**O**n May 7, Fergus Electric Cooperative experienced our most destructive storm to date. The combination of heavy moisture, freezing temperatures, and sustained high winds caused widespread damage throughout our service territory.

Electric utilities serving Central Montana suffered significant damage to conductors, crossarms, and poles caused by falling trees, galloping iced conductors, and gusty winds.

Upon completion of a helicopter line patrol with local pilot Greg Koch, I was relieved to hear that we only had 96 broken poles. Our aerial assessment provided the information necessary to request additional crews, understand material requirements, and create a

multi-day restoration plan.

As shown in the picture above our burley transmission poles in the Spion Kop area snapped like toothpicks. The damage to trees along Limestone Canyon Road northeast of Monarch is so devastating that you must see it for yourself to fully grasp the true power of this event.


The employee team came together and performed their best work to restore power to member homes and ranches throughout the seven-day event. I am proud of their efforts and believe the membership is fortunate to have such a dedicated group that stepped up when all the chips were down.

Our membership was supportive and

## Destructive May 7 storm downs 96 Fergus Electric poles

patient with us as we worked long days in tough conditions to restore power to every meter.

Thank you to those members who brought out tractors and equipment to help us access poles, patrol lines, or retrieve stuck vehicles. We'd like to also thank McCone Electric Cooperative, Beartooth Electric Cooperative, and Red Rock Power for responding with linemen and equipment to help us access downed lines and restore power under less-than-ideal circumstances.

Storm restoration has been and will always be a part of the electric utility business. We can only hope that a storm of this magnitude isn't repeated. Thanks for sticking it out with us. 

# PRESIDENT'S REPORT

## ANOTHER SUCCESSFUL YEAR AT FERGUS ELECTRIC

By **PAUL DESCHEEMAER**  
*Fergus Electric President*

**E**VERY time I look back on the previous year at Fergus Electric Cooperative, I am reminded how fortunate we members are to have such a great group of dedicated employees. The mission of Fergus Electric is to provide reliable, safe, and affordable energy services to the communities we serve. Our system's reliability is constantly improving. The safety culture at Fergus Electric is great, and our team is always striving to better themselves with training, studying close calls and member education, just to name a few. Our rates have remained stable over the last 13 years, due in part to efficiencies. The Fergus Electric board has focused on rate stability while neighboring co-ops and NorthWestern Energy have been forced to raise rates as inflationary pressures and high-interest rates continue.

Fergus Electric continues to attract top-notch employees, many of whom have local roots. Our employee retention rate is exceptional, as well, with many employees celebrating more than 20 years of service. Our manager and his team have created a culture that is positive, progressive and safe. This culture translates to a very efficient, dependable workforce that takes great pride in the job they do, which saves our membership dollars.

The truck garage/office in Roundup is nearing completion, staying within budget while creating a very functional space for our crews and protection for our equipment fleet. I encourage members to stop in and have a look. Another project nearing completion is the Winifred transmission project. We contracted with Red Rock Power to build the new line and retire the old line. Our engineers took the lead in designing, material procurement, easements and project management. Melanie Foran and Ryan d'Autremont oversaw construction, ensuring a quality product while staying well within budget. The new line will ensure our



Winifred-area members have reliable energy for the next several decades. Fergus Electric also helped secure a \$2 million dollar U.S. Department of Agriculture loan for Central Montana Medical Center, enabling the hospital to purchase and install a linear accelerator, which will be an integral part of the new cancer center now under construction at CMMC. This project will benefit all of Central Montana and beyond.

Manager Carson Sweeney and the board of directors continue to work with Basin Electric Power Cooperative and our generation and transmission cooperative, Members 1st Power Cooperative, to keep rates affordable for our members. We have been able to establish a heat rate for members with qualified electric heat sources. Owners of our cooperative solar panels get a credit on their electric bill. The program provides a direct pass-through savings from Basin Electric to participating members, without affecting the rest of the membership.

As I sit at my kitchen table this afternoon, I am reminded how much we rely on electricity. My portable generator is whirring outside, powering my refrigerator, freezer, laptop and cellphone (for Internet and communication). I am going on almost 48 hours without electricity due to a very severe spring snowstorm that came with high winds in central Montana. No matter how resilient the electric grid is, Mother Nature always has the upper hand. For people in rural communities, livestock watering becomes paramount. While the generator runs to pump water for the livestock, everyone gets a quick shower, containers are filled for reserve and all the toilets are flushed. I am very grateful knowing our employees have been out there from daylight until well after dark (in one case, stuck and stranded all night in a bucket truck) working to find, assess and repair broken poles and wires to get our members back in service.

Please join us for the Fergus Electric annual meeting Thursday, June 6. I shall close by saying thank you to all of our employees. An electric co-op is only as good as its employees, and our employees are great.

RM

# PROPOSED BYLAW CHANGES

**T**HE Fergus Electric Board of Trustees recently formed a Bylaw Review Committee consisting of three directors, general counsel and the general manager. The committee was tasked with reviewing the existing bylaws and to recommend any necessary changes. The committee brought several items of discussion to the board. The Fergus Electric Board of Trustees, general counsel, and general manager

are recommending the following two bylaw changes to help simplify historic language pertaining to the annual meeting as well as provide context on the limitation on capital expenditures made four decades ago. The following two bylaw recommendations will be voted on by the membership at the upcoming June 6 Annual Meeting. RM

## Section 3.1: Annual Meeting

### Existing Language:

The Annual Meeting of the members may be held on the first (1<sup>st</sup>) Saturday in June of each year beginning with the year 1986 as designated by the Board, or the Board may elect to set the meeting for two (2) weeks prior to the first (1<sup>st</sup>) Saturday in June or two (2) weeks later than the first (1<sup>st</sup>) Saturday in June at such place in the city of Lewistown, in the county of Fergus, State of Montana, as shall be designated in the notice of the meeting for the purpose of electing trustees, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. If the day fixed for the Annual Meeting shall fall on a legal holiday, such meeting shall be held on the next succeeding business day. Failure to hold the Annual Meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative. In the absence of the member holding a single membership, the spouse may vote.

### Proposed Language:

The annual meeting of the members shall be held once each calendar year, within the service territory of the Cooperative, and by such means or methods as allowed by law as shall be designated by the Board of Trustees for the purpose of electing trustees, passing upon reports for the previous fiscal year and transacting any other business as may come before the meeting.

### Context for proposed language:

The current bylaw language has been added to and adjusted several times throughout our 86-year history. Annual meeting dates have varied over the years. They have been held in June and October and have been conducted on weekdays and weekends. The proposed language simplifies the language pertaining to the annual meeting.

## Section 4.15: Limitation on Capital Expenditures

### Existing Language:

Except for the repair or upgrading of existing facilities, or the construction of any facility for the transmission or distribution of electrical energy, no single capital expenditure in excess of \$500,000 shall be made unless said expenditure is approved by the Board of Trustees at a meeting at which a quorum of trustees is present. Thereafter, and before said action shall become final and the expenditure made, the action of the Board of Trustees shall be presented to the membership at the next Annual Meeting of Members, with notice to be given as is provided for in the notice of an Annual Meeting and with the minute entry of the action of the Trustees set forth verbatim in said notice. If the members present and voting at the meeting at which there is a quorum by a majority of three-fifths (3/5) of those voting disapprove said action, it shall fail. If no action is taken or action of disapproval fails, then the action of the Trustees shall stand. Action for disapproval may be taken only at the Membership Meeting next following in time of the initial action of the Trustees.

If the Board of Trustees deems any capital expenditure limited by this paragraph to involve an emergency, which should be acted upon before the next Annual Meeting of Members, the Board of Trustees, by a majority vote shall call a special meeting of members. Said special meeting shall be held at a place selected by the Board of Trustees at a time no less than ten (10) days or no more than thirty (30) days after notice to members. Notice shall be given by regular mail.

### Proposed Language:

Except for the repair or upgrading of existing facilities, or the construction of any facility for the transmission or distribution of electrical energy, no single capital expenditure in excess of \$500,000 (as of Octo-

ber 1981 and adjusted for inflation utilizing CPI) shall be made unless said expenditure is approved by the Board of Trustees at a meeting at which a quorum of trustees is present. Thereafter, and before said action shall become final and the expenditure made, the action of the Board of Trustees shall be presented to the membership at the next Annual Meeting of Members, with notice to be given as is provided for in the notice of an Annual Meeting and with the minute entry of the action of the Trustees set forth verbatim in said notice. If the members present and voting at the meeting at which there is a quorum by a majority of three-fifths (3/5) of those voting disapprove said action, it shall fail. If no action is taken or action of disapproval fails, then the action of the Trustees shall stand. Action for disapproval may be taken only at the Membership Meeting next following in time of the initial action of the Trustees.

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### Context for proposed language:

In October of 1981, the membership voted to add section 4.15 to the bylaws shortly after the new Fergus Electric headquarters office/garage east of Lewistown was constructed. The language within section 4.15 requires the Board of Trustees and management team to be transparent with plans for future capital expenditures such as the construction of a new building. The proposed language helps clarify the capital expenditure amount after adjusting for inflation. Using Bureau of Labor and Statistics consumer price index (CPI) inflation calculator, \$500,000 in October of 1981 is approximately \$1,672,012 in 2024.

## ANNUAL FINANCIAL REPORT

ASSETS	2023	2022
ELECTRIC PLANT:	80,167,951	\$69,272,379
Less: Accumulated Depreciation	(31,820,724)	(29,411,410)
Net Utility Plant	48,347,227	39,860,969
Investments in Associated Organizations	8,208,069	6,118,066
Current Assets	6,271,212	7,898,327
Deferred Debits	382,356	512,580
<b>TOTAL ASSETS</b>	<b>63,208,864</b>	<b>54,389,942</b>
<b>LIABILITIES &amp; MEMBERS' EQUITY</b>		
Total Margins and Equity	43,357,146	39,818,207
TOTAL LONG-TERM DEBT	14,474,978	9,366,604
CURRENT LIABILITIES	4,846,417	4,711,000
DEFERRED CREDITS	530,323	494,131
<b>TOTAL EQUITIES AND LIABILITIES</b>	<b>\$63,208,864</b>	<b>\$54,389,942</b>

## COMPARATIVE STATEMENT OF REVENUE AND EXPENSES DECEMBER 31

Operating Revenues	28,929,382	27,877,305
VARIABLE EXPENSES		
Power purchased for Members	18,102,808	16,641,854
Lines Cost	3,696,007	3,664,062
Administrative and Other	1,973,195	1,929,587
<b>TOTAL VARIABLE EXPENSES</b>	<b>23,772,010</b>	<b>22,235,503</b>
FIXED EXPENSES		
Depreciation	2,132,732	1,950,017
Interest on Long Term Debt	477,630	388,294
<b>TOTAL COST OF ELECTRICAL SERVICES</b>	<b>2,610,362</b>	<b>2,338,311</b>
Operating Margins	2,547,010	3,303,491
Non-operating Margins	2,107,793	1,214,435
<b>NET MARGINS</b>	<b>\$4,654,803</b>	<b>\$4,517,926</b>

## SECRETARY/TREASURER'S STATEMENT

The balance sheet and comparative statement of revenue and expenses were taken from complete financial statements, which were audited by Wheeler, Bieber & Associates, PC., certified public accountants, of Sidney, Montana, who

expressed their unqualified opinion on the statements. Copies of the complete financial statements, together with the auditor's report, may be examined at the cooperative headquarters in Lewistown.

– Jason Swanz, secretary/treasurer

## INDEPENDENCE DAY

## CLOSURE

Fergus Electric Cooperative's office will be closed Thursday, July 4

## IDENTIFY ACCOUNT NUMBER\*

## WIN A \$32.50 CREDIT

If one of the following account numbers is yours, call Fergus Electric (406-538-3465) and identify yourself and your account number and you will receive a \$32.50 credit on next month's statement.

**Account 396606, Account 2881  
Account 376094, Account 348452  
Account 395881, Account 376314**

## CONGRATULATIONS!

Mark Fabian of Lewistown, Tony Kuhry of Grass Range, Daniel Negaard of Grass Range, Bruce Arthur of Winnett and Gordon Gildroy of Roundup were last month's winners!

\*NUMBERS ARE DRAWN MONTHLY



## 2024 EMPLOYEES

**Carson Sweeney**, General Manager  
**Dale Rikala**, Line Superintendent  
**Bret Ophus**, Assistant Line Superintendent  
**Bret Nellerroe**, Assistant Line Superintendent, Roundup  
**Sally Horacek**, Office Manager  
**Janine Rife Didier**, Payroll Administrator  
**Erika Mattaliano**, Senior Billing Clerk  
**Denise Jennings**, Billing Clerk  
**Debby Petersen**, Cashier  
**Louie Hould**, Foreman  
**Tyson Ruff**, Foreman  
**Owen Thatcher**, Foreman, Roundup  
**Ryan d'Autremont**, Serviceman  
**Brian Godbey**, Serviceman/Meter Tech  
**Mark Schwomeyer**, Transformer Repairman  
**Darek Dygert**, Journeyman Lineman  
**Jacob Grensten**, Journeyman Lineman  
**Lake Mellott**, Journeyman Lineman  
**Brock Pyrah**, Journeyman Lineman, Roundup  
**Andrew Reuterskiold**, Journeyman Lineman, Roundup  
**Danyon Rice**, Journeyman Lineman  
**Bill Stanton**, Journeyman Lineman  
**Dakota Wahl**, Journeyman Lineman  
**Jason Deffinbaugh**, Apprentice Lineman  
**Dylan Rickman**, Apprentice Lineman, Roundup  
**Travis Sura**, Apprentice Lineman  
**Jake DeRosier**, ROW Groundman  
**Jason Mills**, Mechanic  
**Daniel Balster**, Staking Engineer, PE  
**Melanie Foran**, Staking Engineer, PE  
**Scott Olson**, Staking Engineer