

# F E R G U S

## FEATURES

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

## Spring Snowstorms

By Scott Sweeney, General Manager

**T**HIS spring, power outages have been a challenge! On Saturday, April 11, we had a “predicted” snowstorm with an expected snow accumulation anywhere from one to 12 inches, during which NorthWestern Energy lost power to the four transmission lines that bring power to Lewistown. Four substations north of Lewistown and three substations south of Lewistown were out of power most of the day.

Then on May 6 - 7, another snowstorm dumped on central Montana. This storm “predicted” an inch or less of snow for Lewistown. Unfortunately for the power lines, Lewistown received eight inches of heavy, wet snow and again NorthWestern Energy lost power to the same seven substations north and south of Lewistown. This caused power outages from the early morning hours on May 7 until about 10 a.m., when NorthWestern Energy was able to restore power to the transmission lines.

Then we started to realize how many issues we had on Fergus Electric Cooperative’s distribution power lines. Our own crews worked all day Thursday, May 7 until about 11:30 p.m., and then everyone went home for some sleep and returned early Friday morning around 7 a.m. We called McCone Electric Cooperative in Circle, later that morning and asked for help. They called back an hour later and said six linemen with bucket trucks and side-by-sides were headed to Lewistown.

Friday afternoon/evening Fergus Electric had 19 of its own workers on the storm damage, plus six workers from McCone Electric. By midnight Friday, most members had power restored and the 18 broken poles north of Geyser had been replaced. Power also was restored east of Garneill and east of Hilger, Gilt Edge area, south of Grass Range, the Forest Grove and Red Hill Road areas, as well as Beaver Creek, Cottonwood Creek, Casino Creek, Castle Butte and Castle Creek.

I was very impressed with the hard work of everyone involved – linemen, apprentices, mechanics, engineers, supervisors and the office staff. Excellent work by all, and I really appreciate the six McCone Electric linemen who came to help.

On Saturday and Sunday, May 9 - 10, clean-up work continued, and by early Sunday morning everyone had power.

As I come to my last couple months before retiring, it is refreshing to see the Fergus Electric team work efficiently and safely to keep the power on for all members. As the manager, I certainly appreciate how the employees are always willing to make themselves available to work an outage, even when they know that it may involve working for hours on end in rough conditions. Likewise, the office staff is willing to answer call after call to assure members that the line crews are working to restore power. It means every bit as much to the employees as it does to me and the board to provide you,



May snowstorm Maiden Canyon. | PHOTO COURTESY OF BRIAN GODBEY

the member, with reliable and safe service.

I really appreciate the members of the cooperative calling in problems spotted on the power lines, pulling our stuck trucks out of the mud, and being patient and kind while waiting for our line crews to restore the power! Power outages are inconvenient and frustrating for the membership. Yet, more times than not, when our members call in after having been without power for several hours, they ask us to thank our line crews for their hard work or they tell staff they are glad to know they can call the office and talk to someone who can give them an update. It is a pleasure to serve such a great membership!

Storm-related outages are tough on our system. We strive to routinely change out a significant number of

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# President's Report

## *Eventful year with more changes to come*

It has been a very eventful year at Fergus Electric Cooperative. There have been many events and changes at the co-op and several big changes to come. I will focus on just a few of these.

We are transitioning to a new metering system. The Black Butte Copper Project is progressing in a positive light. We have had four employees announce their retirement in the past year, including our general manager. All these people will be greatly missed. The task of replacing these employees has been large, and four new faces have been welcomed to Fergus Electric since our last annual meeting.

## **AMI**

Our old "Turtle" metering system is obsolete and soon will no longer be supported for repair. This has forced the co-op to upgrade the system. The board made the decision to use an automated metering infrastructure (AMI) to replace the Turtle system. The new system provides a number of important functions that were not previously possible or had to be performed manually, such as the ability to automatically and remotely measure electricity use, connect and disconnect service, detect tampering, identify and isolate outages, and monitor voltage. AMI will eventually enable Fergus Electric to offer time-based rate programs and incentives that encourage members to reduce peak demand and manage energy consumption and cost

## **Black Butte Copper Project**

On April 9, Black Butte Copper Project received a positive record of decision for its permit from the Montana Department of Environmental Quality. This will allow development and underground mining at the Black Butte



*Paul Descheemaeker,  
board president*

## **General Manager Position**

In January we put out an advertisement for a new manager, and applicants from four states responded. The board was tasked with the difficult decision of selecting a new manager from the excellent applicant pool. After interviewing three candidates, Carson Sweeney (no relation to Scott Sweeney) was chosen as the new general manager for Fergus Electric. Carson hails from Lewistown originally and comes to us from Butte, where he has held a position of manager of dis-

Copper Project outside of White Sulphur Springs, to proceed. Fergus Electric looks forward to serving the mine and the additional load that will come. tribution operation control with North-Western Energy. He and his wife Jamie, a registered nurse, have two young children.

The board and I thank David Dover for serving the co-op for two and a half years as assistant manager, and we wish David and his wife, Michele, all the best in their future ventures.

Scott Sweeney will be retiring in June after 41 years of service to Fergus Electric. Scott came to Fergus Electric in 1979, as a staking engineer, and progressed through the ranks and in 2004, became the general manager of Fergus Electric. Scott has been instrumental in guiding and growing the co-op over the last 16 years. His calm and cool demeanor has been a great asset through thick and thin. He is the face of Fergus Electric, and he will be missed greatly. Scott and his wife Vernie are looking forward to spending more time with their children and grandchildren. We wish Scott and Vernie the very best.

## Spring Snowstorms

### *Continued from page 5*

poles each year as maintaining our poles and wire is less costly and helps to continuously provide dependable power to our members. You are probably familiar with the saying, "the best-laid plans of mice and men often go awry." Even with a solid maintenance program, storm damage can upend things in a hurry.

We are in the process of installing a new metering system that will assist us in pinpointing where the power is out during outages. That does not mean that we do not want you to continue to call when the power is out, because we do. It means that we are hoping we will not spend as much time patrolling line to locate a problem, as the computer information should indicate when it detects a problem in a specific area. The line crews will respond just the same as now and the office will cover phones

just the same, but overall, the troubleshooting time should be reduced, which will benefit the members. The bottom line is that it is our mission to do our best to keep you supplied with safe, reliable high-quality power. You can count on Fergus Electric to stay the course.



Storm damaged crossarm dangling from a power pole. | PHOTO COURTESY OF SCOTT SWEENEY

# Manager's Report

## Annual Meeting

It is bittersweet to be writing my last report for the co-op's 2020 Annual Meeting. On April 23, the board made the decision to postpone the upcoming annual meeting from June 4 to a later date. I really enjoy seeing and visiting with the membership each year at the annual meeting, and now due to coronavirus safety concerns, our annual meeting date is in limbo.

Safety is a most important topic for Fergus Electric Cooperative's line crew, and the board and staff want to plan an annual meeting that is safe for co-op members to be able to attend and to enjoy being with their friends, neighbors and fellow cooperative members.

The board and staff will make the necessary adjustments and move forward with a plan, and eventually we will have the 2020 Annual Meeting, but with the COVID-19, it will likely look different this year. We ask members to please be patient with us. As my dad would say and demonstrate by example to me, "Be patient Scott, it will all work out."

## Richard Anderson retiring

Our Roundup serviceman, Richard Anderson is retiring June 1. Congratulations Rich and thank you for providing 31 years of fine, dependable line-work for our Roundup area members, and for helping restore power outages over the entire service area like you did on May 7 and 8 replacing the 18 broken poles north of Geysers. We all wish Rich and Nancy a happy retirement, enjoying many great fishing and camping trips, and especially enjoying lots of time having fun with their children and grandchildren.



Scott Sweeney,  
manager

## My retirement

With a sincere heart, I will say that my retirement at the end of June will be difficult. I have thoroughly enjoyed my career at Fergus Electric, from staking engineer to manager. The cooperative is fortunate to have 28 excellent employees, seven top-notch board members and 3,800 delightful, caring members. I simply want to tell everyone thank you. Vernie and I are looking forward to having more time to spend with our children and grandchildren. We are planning to continue ranching and to stay involved with our local community.

## Handing over the proverbial baton

Fergus Electric has an excellent team, and come the end of June, I will be passing the baton off to new manager Carson Sweeney, who is not related to me. I believe Carson will do a very fine job of leading the cooperative forward. The staff at Fergus Electric will work together with Carson to help ensure a smooth transition from an "old" manager to a "young" manager, with new and fresh ideas on how to make Fergus Electric Cooperative even better at serving you, the member, with clean, safe, reliable and affordable electric energy service. You have a great team of people at Fergus Electric, employees, and members alike, Carson, treat them well and they will give you their very best in return!



# Scholarship drawing

*Do not need to be present to win*

Fergus Electric Cooperative will offer 10 \$1,000 scholarships in a drawing June 25, 2020.

Rules for the scholarship drawing are: 1) The applicant or applicant's parent/guardian must be a member of Fergus Electric Cooperative, 2) The applicant must have at least a "C" grade average and 3) The scholarship may be used for undergraduate college, vo-tech or graduate studies.

No support documentation is required. Winners are determined by the luck of the draw. Checks will be written to the college or school of the winners' choice.

Please complete the following application and return it to: Fergus Electric Scholarship Drawing, 84423 U.S. Highway 87, Lewistown, MT 59457.

**Fergus Electric Scholarship Application\***

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone \_\_\_\_\_

College/Vo-Tech attending/  
will attend \_\_\_\_\_

\_\_\_\_\_

I maintain at least a "C" average \_\_\_\_\_

Student Signature \_\_\_\_\_

Parent/Guardian Signature \_\_\_\_\_

\*Application due by June 22, 2020

# Annual Financial Report

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
ELECTRIC PLANT:	\$60,907,751	\$55,912,163
Less: Accumulated Depreciation	<u>\$26,290,339</u>	<u>\$25,076,273</u>
Net utility plant	\$34,617,412	\$30,835,890
Investments in associated organizations	\$3,831,003	\$1,436,630
CURRENT ASSETS:	\$7,354,765	\$10,092,069
DEFERRED DEBITS:	<u>\$903,252</u>	<u>\$1,033,476</u>
<b>TOTAL ASSETS</b>	<u><u>\$46,706,432</u></u>	<u><u>\$43,398,065</u></u>
<b>LIABILITIES &amp; MEMBERS' EQUITY</b>		
TOTAL MARGINS & EQUITIES:	\$27,808,503	\$22,767,185
TOTAL LONG-TERM DEBT:	\$10,835,217	\$11,968,986
CURRENT LIABILITIES:	\$4,912,077	\$4,491,468
DEFERRED CREDITS:	<u>\$3,150,636</u>	<u>\$4,170,426</u>
<b>TOTAL EQUITIES &amp; LIABILITIES</b>	<u><u>\$46,706,433</u></u>	<u><u>\$43,398,065</u></u>
<b>COMPARATIVE STATEMENT OF REVENUE AND EXPENSES DECEMBER 31</b>		
Operating revenues	\$26,722,769	\$27,092,797
<b>VARIABLE EXPENSES:</b>		
Power purchased for member	\$17,864,942	\$17,659,364
Lines Costs	\$3,083,600	\$3,078,078
Administrative & all other	<u>\$2,052,804</u>	<u>\$2,165,216</u>
<b>TOTAL Variable Expenses</b>	<u>\$23,001,346</u>	<u>\$22,902,658</u>
<b>FIXED EXPENSES:</b>		
Depreciation	\$1,336,134	\$1,310,792
Interest on long-term debt	<u>\$546,699</u>	<u>\$566,702</u>
<b>TOTAL COST OF ELECTRIC SERVICE:</b>	<u><u>\$24,884,179</u></u>	<u><u>\$24,780,152</u></u>
Operating margins	\$1,838,590	\$2,312,645
Non-operating margins	<u>\$3,771,793</u>	<u>\$1,193,496</u>
<b>NET MARGINS:</b>	<u><u>\$5,610,383</u></u>	<u><u>\$3,506,141</u></u>

**T**HE balance sheet and comparative statement of revenue and expenses were taken from complete financial statements, which were audited by Smith, Lange & Halley, P.C., certified public accountants, of Sidney, 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*



**LEWISTOWN, MT**

Your Touchstone Energy® Partner

**FOR OUTAGES**

**First:** Check the fuses or breakers in the building in which the electricity is off.  
**Second:** Check the breaker below the meter.  
**Third:** If electricity is still out, call a neighbor to see if they have electricity.  
**Fourth:** Call 406-538-3465 day or night or:

Dale Rikala .....	406-366-3374
Bret Ophus .....	406-366-7523
Scott Olson .....	406-366-5822
Scott Sweeney .....	406-538-7218
Don Criswell (Roundup) .....	406-366-3465
Melanie Foran .....	406-462-5650

**FERGUS ELECTRIC COOPERATIVE, INC.**

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Facebook: [www.facebook.com/ferguselectric](http://www.facebook.com/ferguselectric)

Scott Sweeney.....General Manager  
 Carson Sweeney.....Incoming General Manager  
 Dale Rikala..... Operations Supervisor  
 Sally Horacek ..... Office Manager  
 Janine Rife Didier..... Editor  
 Fergus Electric is an equal opportunity provider and employer.

**BOARD OF DIRECTORS**

District 1: Paul Descheemaeker, President, Lewistown, 428-2417  
 District 2: Brett Maxwell, Lewistown, 538-9002  
 District 3: Brad Arntzen, Hilger, 462-5555  
 District 4: Cathy Kombol, Roundup, 428-2202  
 District 5: Terry Frost, Vice President, Roundup, 323-3415  
 District 6: Jason Swanz, Sec./Treas., Judith Gap, 473-2462  
 District 7: Bob Evans, Jr., Geysler, 735-4476

*Fergus Features is an award-winning newsletter.*



Power restoration work continues after dark. | PHOTO COURTESY OF SCOTT OLSON



Downed poles and power lines in Geysler area. | PHOTO COURTESY OF SCOTT OLSON