

# F E R G U S

## FEATURES

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

# DELIVERING MORE THAN POWER

Fergus Electric is dedicated to serving its members

### *Good relationships*

At Fergus Electric Cooperative, we believe that establishing and maintaining good relationships between our employees and our membership is essential. You do not have to watch the news for long these days to know that there is a lot of tension in our country. But when you turn off your screens and devices, step outdoors and get some fresh air, you are quickly reminded that life in central Montana is still very good. Montana's unofficial nickname, The Last Best Place, fits.

Our supervisors, engineers, linemen and office staff work with co-op members every day in some capacity. In addition to helping our members make decisions about their power needs or talking to them about their power bill, some of our employees are also co-op members, so they can communicate from the perspective of an employee and a member.

Like all of us at Fergus Electric, the co-op's line personnel believe that communication and grassroots relationships are important. They feel that when you treat the members well, they reciprocate when we need them most.

An example of the reciprocity is during outages when the weather



Member Dan Annala uses his farm equipment to free a Fergus Electric truck – May 2020.  
| FERGUS ELECTRIC STAFF PHOTO

conditions are rough and a digger or bucket truck gets stuck in snow or mud, we have a lot of wonderful members who do not hesitate to use their own equipment to assist.

Another example is when a member like Gary Smith opens GS Oil late in the evening to let the crews refuel their trucks, so they can continue to work to restore power during an outage in the Roy area.

These generous acts of kindness are so appreciated and not taken lightly by the co-op. We are blessed every day by the old and new relationships that we have made.

### *Grateful for our membership*

It is not uncommon for members to take time to write a note of appreciation or send a big plate of cookies or a box of donuts to thank our employees. Everyone is grateful for the goodies and the good feelings behind them. Many of our members have deep roots in the area and are thankful for their neighbors and Fergus Electric. Our relationship with our membership may not be too unusual, however given that we serve 3,935 members along 3,952 miles of power line

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## PRESIDENT'S REPORT

## Fortunate for many things

By **PAUL DESCHEEMAER** | *President*

I would like to begin my report by saying how fortunate we are to live and work in central Montana. The rest of the country is in envy of our wide-open spaces and small-town living. Zoom meetings, staff quarantine, office closure to the public, and an annual meeting broadcast over the radio are just a few examples of how your co-op has had to adjust. The good news is you – the membership – the management team, and the entire staff has stepped up to the plate and persevered through these trying times. We all have learned lessons that will serve us well going forward. Technology continues to improve, and our staff has found many ways to incorporate this into our changing world to maintain, and quite often, enhance communication, efficiency and cost savings.

**Electric Supply**

The polar vortex in early February that brought temperatures of 40 below to the northern states and eventually put gulf states in a deep freeze rarely experienced showed this country how vulnerable the electric grid is. The electric transmission coordinators shed load in the northern states, so they could send power to the southern states, which resulted in rolling blackouts. As a result, electric suppliers struggled to keep the lights on for their customers. Locally, we were not impacted by outages but our neighbors to the east at McCone Electric Cooperative suffered from a mandated outage. This is a perfect example of why we, as a country, need a wide mix of generation including base load i.e., coal, natural gas and nuclear power. As members, we must be cognizant of the importance of a balanced generation portfolio across our nation.

**AMI Update**

Speaking of technology, our new metering system is moving forward, and completion is on the horizon. With that said, weather, new services and material delays have prevented our crews from progressing as quickly as we had hoped. The co-op's old Turtle metering system is no longer supported and creating challenges of its own. We have contracted with local electricians to install meters for the co-op to speed the meter transition process, while giving our own crews time to maintain and expand our system. As time permits, the linemen continue to install metering relays and other infrastructure related to our new AMI system.

**Black Butte Copper Mine**

Tintina Resources continues to move forward with the copper mine project near White Sulphur Springs. Copper and other earth metals are very important to the success of wind generators, solar panels and electric vehicles. In the next 20 years, an increase of 50 percent is expected for copper demand. Fergus Electric Cooperative (FEC) is patiently waiting to build a power line and serve the electric needs at Black Butte. This load will help balance the large load portfolio at FEC, ensuring all members stable rates in the future. RM

## DEDICATED

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throughout 14 counties, we think it is probably unique that we know many of our members by name, and it is just as likely that we know their children, their siblings, their parents, grandparents, aunts, uncles and cousins. And though we do not know all our members personally, between the employees and our seven board directors, who reside in each of the seven member districts across our system, we think it is exceptional to have one-on-one connections with so many

members.

**After-hours calls**

We are proud that our members can still call the co-op and speak directly to Fergus Electric employees. This does not apply just during regular office hours. If you call to report a power outage anytime outside of our normal business hours, you will reach a Fergus Electric employee who is geared to take your information. Typically, one employee per week is on duty to take after-hours outage calls, so when several calls are received at once, the overflow will go to voicemail. We appreciate our

members' patience, as the employee listens to and deletes calls from the voicemail box as quickly as possible. If you are unable to reach us, we list additional phone numbers in the monthly *Rural Montana* magazine that you receive. As soon as the employee has a moment to relay the message to a lineman or a line superintendent, the ball starts rolling. The lineman contacts a crew member, and they meet at the co-op ready to go to work. Another employee will post the outage notice on our Facebook page. The line crew and dispatch will communi-

**See DEDICATED, next page**



## MANAGER'S MESSAGE

From Carson Sweeney

**T**HIS issue of Rural Montana marks one year since I walked through the employee door at Fergus Electric Cooperative. I am grateful to be back home and work with each of the fine employees who serve our cooperative's membership. The employee group is committed to meeting the needs of our existing members as well as the needs of those expanding our system as new members. We are quite busy with new construction work and hope that we can minimize the impact that delays of material delivery may create throughout the rest of 2021.

### *Maintaining a financially secure co-op*

I appreciate the opportunity to work with a knowledgeable and dedicated Board of Directors. The Fergus Electric Board Directors are committed to understanding the details of our business to maintain a financially secure cooperative. Fergus Electric Cooperative had strong operating margins for 2020. Our last rate increase occurred in 2011 and we do not expect a rate increase this year. 2021 marks the 10<sup>th</sup> year without a rate increase. I would say that your Board of Directors and the employees of Fergus Electric Cooperative are doing a fine job. In the last five years, your electric cooperative has paid out a total of \$3,965,900 in capital credit general retirements as well as \$1,147,358 in capital credit estate retirements for a total of \$5,113,258. We spend each day planning and working

## One year at Fergus Electric Cooperative

towards maintaining this level of service and security into the future.

### *AMI installation progress*

Great progress is being made on the installation of our new AMI metering system and we look forward to completing the project in 2022. Once complete we can again focus on maintaining and replacing the existing infrastructure our members rely on. We plan to replace poles and underground cable in troublesome areas that cause outages and frustration for our members.

The new AMI system will help pinpoint those areas and assist us in effectively mitigating the problems. As always you will continue to spot our red service trucks as we patrol lines, replace meters, trim trees, install new services and respond to outages.

### *Attend your annual meeting*

We hope to see you at our annual meeting on Thursday, June 10 at the Fergus County Trade Center in Lewistown. We missed seeing you in person last year. Come join us for lunch while we conduct our annual meeting. I look forward to seeing you there. If you are unable to make it, check in with us from time to time. Give us a call, check out our Facebook page, email us or just stop into the office to say "hi." We sure like hearing from you. RM

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cate by radio periodically during the outage. The dispatched crew travels to the outage location, patrols the line, locates the problem and works to restore the power to your home. When the power is restored, the dispatcher calls several members to be sure they have power, and if they do, Facebook is updated with the good news.

### *Upgrading metering system*

Fergus Electric is in the process of upgrading its metering system. The new meters indicate on our mapping system when a meter has lost utility power. This system, once fully imple-

mented, will benefit office staff and the membership alike. By being able to see on a map where the power is out, our line crews can save time by not having to patrol long distances of power line trying to locate the cause of the outage. The new system will not be fully installed until sometime next year, but we are looking forward to its completion and are anticipating good things from having more information that will help us better serve our members.

### *Co-op doors are unlocked*

Due to the pandemic, for nearly a year, Fergus Electric's office doors were locked. We recently reopened our doors, and it has been delightful after all these months to have

members, such as George Dengel and Ronald Kastner, drop by to say hello and pay their bill. Although we never had a steady stream of members coming into the office, there are those who were accustomed to paying their bill in person and it is nice to see them again. We missed catching up on their lives.

To paraphrase from our Mission Statement, we are working to become the trusted provider for all energy and energy related services that our members require. We strive to foster and maintain the cooperative's reputation for fair dealing, prompt service, dependability, integrity, courtesy, productivity, and technical competence. In other words, we strive to do right by our members. RM

## ANNUAL FINANCIAL REPORT

	2020	2019
<b>ASSETS</b>		
ELECTRIC PLANT:	\$64,525,627	\$60,907,751
Less: Accumulated Depreciation	\$27,782,114	\$26,290,339
Net utility plant	\$36,743,513	\$34,617,412
Investments in associated organizations	\$4,498,493	\$3,831,003
CURRENT ASSETS:	\$9,097,661	\$7,354,765
DEFERRED DEBITS:	\$773,028	\$903,252
<b>TOTAL ASSETS</b>	<b>\$51,112,695</b>	<b>\$46,706,432</b>
<b>LIABILITIES &amp; MEMBERS' EQUITY</b>		
TOTAL MARGINS & EQUITIES:	\$30,958,842	\$27,808,503
TOTAL LONG-TERM DEBT:	\$13,792,019	\$10,835,217
CURRENT LIABILITIES:	\$4,556,557	\$4,912,077
DEFERRED CREDITS:	\$1,805,277	\$3,150,636
<b>TOTAL EQUITIES &amp; LIABILITIES</b>	<b>\$51,112,695</b>	<b>\$46,706,433</b>
<b>COMPARATIVE STATEMENT OF REVENUE AND EXPENSES DECEMBER 31</b>		
Operating revenues	\$26,576,846	\$26,722,769
VARIABLE EXPENSES:		
Power purchased for member	\$17,708,488	\$17,864,942
Lines Costs	\$3,072,461	\$3,083,600
Administrative & all other	\$2,072,417	\$2,052,804
<b>TOTAL VARIABLE EXPENSES</b>	<b>\$22,853,366</b>	<b>\$23,001,346</b>
FIXED EXPENSES:		
Depreciation	\$1,431,997	\$1,336,134
Interest on long-term debt	\$451,085	\$546,699
<b>TOTAL COST OF ELECTRIC SERVICE:</b>	<b>\$24,736,448</b>	<b>\$24,884,179</b>
Operating margins	\$1,840,398	\$1,838,590
Non-operating margins	\$2,447,695	\$3,771,793
<b>NET MARGINS:</b>	<b>\$4,288,093</b>	<b>\$5,610,383</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 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



**INDEPENDENCE DAY**

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**CLOSURE**

Fergus Electric Cooperative's office will be closed Monday, July 5

## 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 358652, Account 55701

Account 81720, Account 373473

Account 321584, Account 387155

No winners to report last month

\*NUMBERS ARE DRAWN MONTHLY

## Fergus Electric Cooperative, Inc.

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  
 Carson Sweeney ..... 406-366-0971  
 Bret Nellermeoe (Roundup) ..... 406-939-0636  
 Melanie Foran ..... 406-462-5650  
 Dan Balster ..... 406-366-0975

### FERGUS ELECTRIC COOPERATIVE, INC.

84423 US Hwy. 87, Lewistown, MT  
 59457-2058

Tel: 406-538-3465

Office Hours: 7 a.m. - 5:30 p.m. M-Th.

Website: [www.ferguselectric.coop](http://www.ferguselectric.coop)

E-mail: [ferguselectric@ferguselectric.coop](mailto:ferguselectric@ferguselectric.coop)

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

Carson Sweeney.....General Manager  
 Dale Rikala..... Line Superintendent  
 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., Geyser, 735-4476

*Fergus Features is an award-winning newsletter.*