

Sheridan Electric Cooperative

# LiveWire

Sheridan Electric Cooperative - Medicine Lake, Mont. 406-789-2231

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## Answering questions for a member

BY SCOTT WESTLUND

Recently, I received a letter from a member who was less than thrilled about the member-owned participation in the cooperative. Seeing an opportunity to tell the cooperative story and answer the questions is something that I love to do. This letter shows me that we have a member who not only is asking for information, but is also courageous enough to ask the right questions. Describing each topic with painstaking clarity was a member who hadn't been informed

on this array of topics, much like other members have been.

In these past years, I have always taken the negative comments with the good and have always wanted to answer any questions a member may have in an attempt to help them understand the business model that is their member-owned cooperative.

We value this open communication and although each topic could be controversial, they are great topics to talk about.

In your letter, you wrote:

*Comment 1: "I read your article in the latest issue of Rural Montana. I still feel the term 'member-owned cooperative' for Sheridan Electric is totally meaningless."*

I am sorry to hear that, as we place a whole lot of emphasis on the member-owners of Sheridan Electric. In fact, this past year, we had special presentations during the annual meeting that emphasized our member-owners. We had presentations from the National Information Solutions Cooperative, kids who went on the Washington, D.C., Youth Tour, the board and the manager.

This is the time of year when you are part of the member-owned business, and we get a chance to chat with you about what we can do better for your business. In most cases, you learn what, where and why the business does what it does.

Another aspect is that the membership (yourself) elects a board member to represent your cooperative and the direction it takes. These board members set vision and direction for the management team to take. They create policy for us to follow, so we can manage your assets through their governance.

This year, we will have the annual meeting Oct. 12 in Medicine Lake. As per your bylaws, we will have three board trustee districts up for election. This year, District 2 (Jody Lagerquist, Westby), District 3 (Rob

Rust, Alkabo) and District 5 (Rick Hansen, Bainville) will be up for election. I hope to see you there and meet you at the door, so you can cast your important vote for one of these candidates.

**Comment 2:** *“You have an ad on KATQ stating your rates have been raised two times in however years. That is a lie. Counting base rates, it has been four.”*

I am not sure how you tied the radio ad into Sheridan Electric rates, as the ads are nationally branded, but I understand the confusion. Overall, nationwide, on average, electric rates have increased two times in the past 10 years. As for base rates, they have no correlation. Part of the base rate reflects the rising cost of “technology” to keep the power flowing to your residence. Unfortunately, prices go up with raw materials and electronics. Fortunately, we have one of the lowest base rates in the state.

**Comment 3:** *“Two of your customers (members) out my way have incurred outrageous charges for having very short electric lines installed. I call it outright theft by Sheridan Electric.”*

As stated above, costs for poles, wire, transformers and miscellaneous equipment have risen. In fact, five years ago we changed the “Line Extension Policy” to offset a \$1 million cost that your cooperative was paying. We had a choice to cover these costs, raise rates or have the individuals contribute to the costs of the projects. We chose to have the individuals contribute other than members like yourself.

Also of note is that cooperatives across the nation are nonprofit entities. This means that we strive for a net zero bottom line, and

yet hold just enough cash for emergencies. Yes, in years past these types of projects were built, the costs socialized and all paid for the addition. These days are different, because the system is built where the only additions now come from individual requests instead of neighborhoods. Socializing the cost means that rates have to go up to cover the projects that we socialize. Therefore, the cost causer is the cost payer so the rest of the membership does not foot the bill.

**Comment 4:** *“I feel your capital credits are a clever way of theft! Does anyone understand them or know how you figure them out? Eliminate them and just lower our electric rates.”*

Capital credits are nothing more than money left over at the end of the year to be given back to the membership. The purpose of a 15-year delay is this capital is used to operate the business every day. These records are filed away until they need to be retired (retiring means paying out to membership). These records are available to anyone, including yourself, to see at any time. This is your business.

An example: Capital (money) is retained for a number of years to assist us in not having to take out high-interest loans for the maintenance of the system. Your capital is reinvested and reinvested through many years.

An even more critical need for the program is to ensure that when storms come through our area, we have the capital needed to get your lights back on. As you know, several storms wreaked havoc through our region last summer. So, with this last example we sum up what a nonprofit business model has to do to keep safe and reliable electricity flowing to

your home and business.

All of these examples make up the core business model of the cooperative and how it works.

As for the electric rates, what we pay from our supplier is how we charge rates. They go hand-in-hand, but normally we set rates to cover the costs to operate the cooperative.

**Comment 5:** *“I still feel you can make our electric meters read whatever you want! I don’t trust them or Sheridan Electric. I’m sure they can be hacked!”*

Please do the research on meters and look up the one you have on your home. They cannot be made to read whatever. Some additional information on meter capabilities are available when you need it, either as a call to us or what you can research.

I plan on doing some deep research into the meters we use to describe further their capabilities and uses in the future. In addition to AMR (automatic meter read) smart meters is the fact that we do not have to have someone come out to read them or require you to read them. This saves the cooperative money by not hiring another employee, or sorting through mailed readings. All of the smart meter information is compiled on one report and automatically fed into our billing program, thus saving time and valuable money for the members.

**Comment 6:** *“What is so sad about all this is more than once I’ve heard technology already exists, we have no need for fossil fuels. (One report was since 1954).”*

This is a great statement and question. Yes, there is technology that fits the bill, but nothing can support baseload like fossil fuels. If we were to have nothing but wind, for instance, when the wind died

down, your lights would go dim. When the winds quit, no lights. I am sure that somewhere down the road, we will have other baseload options, but coal, gas and hydro are the ones our power supplier uses.

**Comment 7: “P.S. Please publish a list of salaries of all your employees. Your customers (members) are paying their salaries. Don’t we have a right to know?”**

I am not sure how to answer this request, but you are correct, the members do pay the salaries through rates. One other comment that I would like to share is one that Rick Knick has stated numerous times through the years, “If you want good people, you have to pay for good people.” This statement is not far from the truth where the population is so limited. There has to be an attraction for people to come to this area, build homes and be a part of the communities.

Keep in mind that Sheridan Electric does pay good wages and provides high-paying jobs, but also has employees who volunteer their time toward the communities where they live. We have school board trustees, firefighters, city council members, rural water trustees, coaches, teachers, you name it. We have it with these employees. In fact, part of the criteria we look for when hiring an employee is this volunteer trait.

Another aspect of this question’s answer resides in the taxes we pay toward the counties we serve. These dollars go to schools, fire departments and community infrastructure. But also keep in mind that the wages paid to these employees are funneled right back into the local economies.

**In conclusion:**

We value each member and take exceptional pride in each one of

them. These are the folks who are the driving force behind every move we make. It is also well-known that the employees of the cooperative will never shy away from the tough questions, do the best we can the answer them, and always keep transparency out front.

An old manager back in my timber days once told me: “Always stay true to your values, always ask and answer the tough questions the best you can, and remember that people are the most valuable asset any establishment will ever have.”

Our membership and employees are the best asset this cooperative has at any given time.

We stand by that.

I hope this helps not only the member who asked the questions, but any other members who may have thought about it and never asked.

This is your cooperative and you are the member-owners. ■

## Annual meeting development and involvement

BY SCOTT WESTLUND

Recently, I had a conversation with Jamie Ator Kleppen (billing/accountant) about the upcoming annual meeting. During the conversation, she referenced the cooperative education Sheridan Electric Cooperative is doing with the schools and the youth in the area.

She talked about how to augment this program with some changes to the annual meeting layout and focus.

While she talked, I saw her desire to be a part of embracing the youth of the region, in the same manner we are teaching them.

Her first idea was to have a contest for young people, members or not, to design the next annual meeting cover for the report. The best cover entry will win a prize yet to be determined, and most likely be monetary.

The significance to this is that we can measure how well we are teaching cooperative values and principles to the youth at the schools, and how that translates to a cover for the annual report.

Her next idea was to start the annual meeting with a game. This game could be as simple as reverse bingo. This would get the meeting rolling and also sport a prize for the last person standing.

Next, she talked about the prizes during the meeting.

This part made complete sense to me. We would conduct two drawings for two groups of people, under age 40 and over age 40. These prizes would fit the age group they are representing. For example, a Chromebook or a laptop would be given for the under 40 age group, and

a workbench for the over 40 age group. These are only a couple examples of how it would work.

Last, we would have a gift for the youngest and oldest member of the meeting.

I am excited to see how this pans out, as it will lend a new look to the meeting.

Personally, I appreciate anyone coming to me with ideas to make things better. Jamie was involved, she cared and she wanted to make a difference. This is all we ask of your employees.

Come to your annual meeting, see the changes we have developed, and see how we will be engaging the youth who are our future members. ■

# Lighting to be given away



In the spirit of efficiency, Sheridan Electric Cooperative is giving away light-emitting diodes (LEDs) each month. Each month's winner will receive 12 new LED bulbs.

So this month, take a moment to complete and mail the coupon. Maybe you'll be this month's lucky winner and save on your energy costs. Good luck. ■

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone number: \_\_\_\_\_

Account number: \_\_\_\_\_

*Congratulations to **Bryon and Edee Hendrickson** for winning this month's light bulb giveaway.*



## Sheridan Electric Cooperative STATISTICAL REPORT

	February 2018	February 2019
Total miles of line	2,831	2,836
Consumers billed	3,095	3,091
Kilowatt-hours purchased	14,104,474	16,054,423
Kilowatt-hours sold	13,227,724	14,987,383
Average KWH per residential consumer	1,936	2,066
Average bill per residential consumer	\$152	\$160
Cost of purchased power	\$637,963	\$750,314
Margins year to date	\$503,433	\$609,964

### LINE DEPARTMENT STATS

	February 2018	February 2019
Weather	3	7
Age or deterioration	2	1
Animals and public	1	0
Power supplier	0	0
Equipment	0	1

### SUMMARY OF WORK COMPLETED

	February 2018	February 2019	Year to date
Pole installations	2	0	3
New construction	0	0	0
Miles driven	14,782	13,805	34,155
New accounts	0	0	2
Accounts retired	0	1	2

### SHERIDAN ELECTRIC CO-OP

Medicine Lake, Mont. 59247  
406-789-2231

#### TRUSTEES

Rod Smith, President ..... Dagmar, Mont.  
 Rick A. Hansen, V. President ..... Froid, Mont.  
 Rob Rust, Sec. .... Alkabo, N.D.  
 Kerrey Heppner, Treas. .... Plentywood, Mont.  
 Alan Danelson, Trustee ..... Scobey, Mont.  
 Andrew Dethman, Trustee ..... Brockton, Mont.  
 Harlan Skillingberg, Trustee ..... Plentywood, Mont.  
 Jody Lagerquist, Trustee ..... Westby, Mont.  
 Sherl Shanks, Trustee ..... Brockton, Mont.

#### EMPLOYEES

Rick Knick ..... Manager  
 Riley Tommerup ..... Office Mgr./Accountant  
 Scott Westlund ..... Marketing/Member Service Manager  
 Jamie Ator ..... Accountant  
 Lisa Salvevold ..... Office Assistant  
 Tasha Ronnes ..... Customer Service Representative  
 Torie Waller ..... Work Order Clerk  
 Kory Opp ..... Line Superintendent  
 Bryan Lenz ..... Line Foreman  
 Nick Oelkers ..... Staking Tech  
 Tim Ereth ..... Operator/Utilityman  
 Josh Johnson ..... Electrical General Foreman  
 Tom Hinds ..... Electrical Foreman  
 Steve Augustine ..... Line Sub Foreman  
 Dan Roeder ..... Journeyman Lineman  
 Shawn Sansaver ..... Journeyman Lineman  
 Josh Marottek ..... Journeyman Lineman  
 Josh Ming ..... Journeyman Lineman  
 Bill Baillie ..... Apprentice Lineman  
 Nolen Drury ..... Apprentice Lineman  
 Tristan Ereth ..... Apprentice Electrician  
 Vicky Haddix ..... Custodian

OUTAGES • CALL 24 HOURS A DAY  
406-789-2231

OFFICE HOURS: 7 a.m. to 4:30 p.m.  
Monday through Friday

Your Touchstone Energy® Cooperative