

# 87<sup>th</sup> ANNUAL MEETING REPORT

**MARCH 29, 2024**

Registration - 11:00 am

Lunch - Noon

Meeting - 1:00 pm



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## GUEST SPEAKERS

**Doug Hardy**  
General Manager -  
Central Montana Electric  
Power Cooperative

**Ryan Hall**  
Communications Director -  
Montana Electric  
Cooperatives' Association



# Notice of Annual Meeting March 29, 2024

Dear Members,

Notice is hereby given that the regular annual meeting of the Members of Sun River Electric Cooperative, Inc. will be held as provided for in the bylaws, at the Fairfield Community Hall in the town of Fairfield, Montana, on Friday, March 29, 2024, at 1:00 p.m. The membership will elect three candidates to serve on the Board of Trustees. One trustee will be elected for:

## District #3

Brady – Genou – Dutton – Power – Collins

**Candidate: John Burgmaier**

## District #4

Conrad – Valier – Dupuyer – Ledger

**Candidate: Bryce Johns**

## District #5

Fairfield – Greenfield – Vaughn

**Candidate: Chris Music**

The auditors will present the annual statistical report. The manager will give a report on the 2023 business operations. Other business will be transacted as it comes before the meeting.

*Chris Music, Secretary*



## President's Report

*By Bob Pasha*

I hope you will join us for our 87th annual meeting of Sun River Electric Cooperative. 2023 was a good year for our cooperative. We continue to experience modest growth and hold our rates to relatively small increases in an ever-challenging electric generation environment. Our KW rate structure allows us to avoid rate shock that many electric companies are experiencing. We successfully built a state-of-the-art shop in Fairfield this year. It provides better access for our linemen to store trucks and equipment. The warehouse will house many things including the materials we use to provide and maintain our power lines that serve all our members. The old warehouse was built in the late 40's and the new warehouse will serve us well for many years to come.

# Agenda

**Invocation:** Vice President *Mitch Johnson*

**Pledge of Allegiance:** President *Bob Pasha*

**Welcome and Call Meeting to Order:**

President *Bob Pasha*

**Quorum Report/Notice of Annual Meeting/**

**2023 Minutes:** Secretary *Chris Music*

**Introduction of Special Guests/**

**President's Report:** President *Bob Pasha*

**Auditor's Report:** *Melissa Soldano*—

*Douglas Wilson and Co.*

**Manager Report:** *Brad Bauman*—

General Manager CEO

**Election of Trustees:**

*Max Davis* – *Davis, Hatley, Haffeman, Tighe*

**Guest Speaker:** *Doug Hardy*—General Manager -

Central Montana Electric Power Cooperative

**Door Prize Drawing:** *Round 1*— Office Staff

**Guest Speaker:** *Ryan Hall*—Communications Director with Montana Electric Cooperatives' Association

**Door Prize Drawing:** *Round 2*— Office Staff

**Unfinished Business/New Business:**

President *Bob Pasha*

**Grand Prize Drawing:** Office Staff

**Meeting Adjournment:** President *Bob Pasha*

**Meal Prepared by:** *Log Cabin Cafe*

**Meal Served by:** Fairfield FFA and *SREC Linemen*

**Clean-Up by:** Fairfield FFA

One of our strongest assets are the people that work for us, or work for you, the members. From our management team to our office staff to our linemen out in the field, we have employees who are some of the best in the industry. One of our proudest metrics is our “no lost time accidents” which stands at over 8,100 days with no lost time.

In keeping with our goal of retiring 5% of our unretired capital credits each year, we will retire the balance of 2003, all of 2004 and a portion of 2005 for a total of \$935,148.26. We have three board members running for re-election this year. They are John Burgmaier in district #3, Bryce Johns in district #4 and Chris Music in district #5. Please come join us at the Fairfield Community Hall, March 29th for some fellowship with friends and neighbors. Registration begins at 11:00 am with lunch being served at 12:00 and the regular meeting of the members starting at 1:00.

# Meet the Candidates



**John Burgmaier**  
*Incumbent Candidate for District #3*

I have served on the Sun River Electric Cooperative Board for 22 years. It has been an honor and a great experience to serve you, the members. My wife Deanna and I have raised 3 children on our family farm and ranch near Power over the past 52 years. I

continue to help our son, Kyle, on the farm and in the shop. We also volunteer as EMT's for Teton County Ambulance. Any extra time I may have I spend working in the wood shop, boating, fishing and enjoying our grandchildren. My commitment to the members of Sun River Electric is to keep informed of the issues concerning electric rates and reliability.

## Nominations and Election of Trustees

The changes were voted into effect in 2023 and are being implemented at this year's meeting. Any member wanting to be put on the ballot must be a paying member of the Coop for five years and a resident of the district they wish to run. That person must obtain 10 valid signatures from that district. The valid signatures must be returned to the Sun River Electric Office no less than 30 days prior to the annual meeting.

## Ribbon Cutting at the New Warehouse



**Bryce Johns**  
*Incumbent Candidate for District #4*

I was born in Conrad and raised on our family farm and ranch. My great-grandparents homesteaded north of Conrad in 1916 and I am the fourth-generation to continue our family operation. I attended Montana State University and acquired a bachelor's

degree in Accounting with a minor in Ag Business. Upon graduation, I worked in public accounting and commercial banking. In 2014, I returned home to farm with my father and brother. My wife, Heather, is also from Conrad and is a family Nurse Practitioner at the Logan Health Clinic. Together we have two kids and are expecting our third in June.

I have represented District #4 on the SREC board for the past three years and have quickly become educated on the challenges the electric industry faces. I look forward to continuing our co-op's traditions of repaying the members of past and present, all while ensuring our system can endure for generations to come.



**Chris Music**  
*Incumbent Candidate for District #5*

I currently own and operate Montana Valley Irrigation with my wife Helen. I am running for re-election to the district 5 position on the Sun River Electric Cooperative board of directors.

My wife Helen and I first moved to the Fairfield area in 2015. We have three young sons at home (Brody 8, Cason 6, Wylie 5), I am passionate about helping the community that I am raising my family in to thrive. I am an active member of the local Lions club and I run the Fairfield Youth Football program alongside Helen.

I have served on the SREC board of directors for the past three years. I am always up for a challenge, and I find it extremely interesting and exciting to come up with ways to keep the power on as the current administration investigates ways to support renewable energy. I feel that I am a great asset to the board thanks to my strong work ethic, problem solving skills, and knowledge of surrounding businesses and the agricultural industry.



# Service Area Map

District Boundary ———

County Line - - - - -



Bryce Johns

Valier

Ledger

Dupuyer

4

Conrad



Mitch Johnson

Pendroy

Brady

Bynum

Collins

3

Dutton

Choteau

6

Power

Fairfield

5

Vaughn

Floweree

Portage

Highwood

Augusta

Simms

Sun River

Ft. Shaw

Great Falls

Fife

Tracy

Belt

2

1

Sand Coulee

Stockett

7



Russ Bloom



Chris Music



Leonard Sivumaki



Robert Pasha



# Guest Speakers



**D**oug Hardy is the General Manager for Central Montana Electric Power Cooperative. Doug has been with CMEPC Since 2008. Some of his responsibilities there include financial and rate analysis. He coordinates extensively with Basin Electric Power Cooperative with wholesale power supply contract for the benefit of Montana Electric Cooperatives. He

has been a part of Basin's Energy Management Advisory Committee dealing with such issues as rate structuring and conventional and renewable generation and transmission options. He has been a big part of participating in state and federal Legislative and regulatory proceedings that affect CMEPC and in turn affect Montana Cooperatives. He has served on many boards and committees that serve and protect the values of electric Cooperatives.



**R**yan Hall is the Communications Director for the Montana Electric Cooperatives' Association (MECA) in Great Falls, Montana, and the editor of the state's largest-circulation monthly magazine *Rural Montana*. He also is a member of the MECA lobbying team.

Mr. Hall was born and raised in Wellsboro, Pennsylvania, and went on to graduate with a degree in journalism and a minor in political science from Penn State University.

He worked in television and radio, and then in newspapers for nearly a decade — most recently as the night city editor for the Great Falls Tribune.

He joined *Rural Montana* and the Montana Electric Cooperatives' Association in May 2012. Since that time, Ryan and *Rural Montana* have been recognized with several national awards, including Best External Publication in the 2018 and 2022 NRECA Spotlight on Excellence competition.

He is married to Mariah Hall, a Joplin, Montana native. The couple has three young sons.

## The New Warehouse



## Capital Credit Retirement

This year SREC will retire \$935,148.26 in capital credits. We will retire the remaining balance of 2003, all of 2004 and a portion of 2005.

## Employees

**Brad Bauman**  
**Shelley Batson**

Leanne Hall  
Christy Kovatch  
Toni Underdal  
Brandi Converse  
Tayler DeBruycker

**CEO/General Manager**  
**Manager of Finance**  
**& Administration**

AP/PR/CC Clerk/Comm.  
General Ledger/Senior Billing  
Cashier/Contracts Clerk  
Billing/Collections Clerk  
Work Order/Purchasing Clerk

**Chris Christensen** **Manager of Engineering**  
**& Member Services**

John Schwenke  
Mike Faith  
Randy Gaa

Staking Engineer  
Meterman/Account Specialist  
GIS staking/IT

**Robert Anderson**

**Operations Manager**

Scott Steyee  
Trey Caffyn  
Scott Schlosser  
Matt Williams  
David Kelleher  
Sean Donlan  
Owen Stong  
Robbie Dockter  
Jay Pogreba  
Nick Soiseth

Asst Operations Manager  
Line Foreman  
Fairfield Lineman  
Fairfield Lineman  
Fairfield Lineman  
Highwood Lineman  
Highwood Lineman  
Conrad Foreman  
Conrad Lineman  
Conrad Lineman

**Sun River Electric Cooperative, Inc.**  
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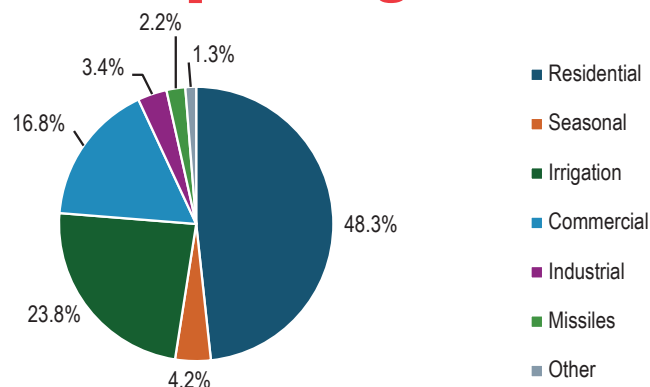
Web Site: [www.sunriverelectric.coop](http://www.sunriverelectric.coop)

# Sun River Electric Cooperative, Inc.

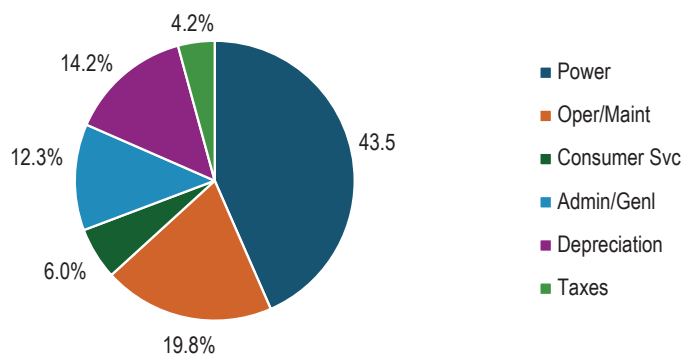
*Balance Sheets As Of December 31, 2023 And 2022*

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Utility Plant:		
Electric plant in service	\$ 54,923,668	\$ 52,942,932
Construction work in progress	2,959,520	295,109
	57,883,188	53,238,041
Less: Accumulated depreciation	(26,437,258)	(25,026,522)
Net Utility Plant	31,445,930	28,211,519
Other Assets and Investments:		
Investment in associated organizations	4,446,327	4,124,960
Capital term certificates	446,304	447,318
Restricted investment	18,353	17,758
Total Other Assets and Investments	4,910,984	4,590,036
Current Assets:		
Cash	897,022	842,026
Temporary investments	1,082,447	2,754,839
Accounts receivable (net of allowance for doubtful accounts of \$2,117 in 2022 and 2021)	1,494,583	1,527,234
Interest receivable	4,589	4,589
Materials and supplies	1,028,089	998,546
Prepaid expenses	41,822	29,214
Total Current Assets	4,548,552	6,156,448
Deferred Charges	208,919	266,352
Total Assets	\$ 41,114,385	\$ 39,224,355
<b>LIABILITIES AND EQUITIES</b>		
Equities and Margins:		
Memberships	\$ 10	\$ 10
Patronage capital	20,703,648	19,810,138
Other equities	2,533,081	2,378,580
Total Equities and Margins	23,236,739	22,188,728
Long-Term Debt (less current portion)	14,548,771	13,936,832
Current Liabilities:		
Current portion of long-term debt	871,613	777,538
Accounts payable	850,092	566,841
Accrued taxes	227,235	247,989
Accrued interest	100,418	88,836
Accrued vacation and sick pay	365,761	320,885
Accrued expenses and withholding	568,131	591,800
Consumers' deposits	83,685	85,346
Total Current Liabilities	3,066,935	2,679,235
Other Liabilities and Deferred Credits:		
Consumer energy prepayments	219,390	353,184
Deferred credit - debt extinguishment	24,267	48,618
Employee insurance reserve	18,283	17,758
Total Other Liabilities and Deferred Credits	261,940	419,560
Total Liabilities and Equities	\$ 41,114,385	\$ 39,224,355

## 2023 Operating Revenue



## 2023 Operating Expenses



OPERATING REVENUE		Percentage
Residential	\$ 6,100,629	48.3%
Seasonal	\$ 529,604	4.2%
Irrigation	\$ 3,005,843	23.8%
Commercial	\$ 2,111,308	16.8%
Industrial	\$ 434,222	3.4%
Missiles	\$ 279,852	2.2%
Other	\$ 160,731	1.3%
<b>TOTAL</b>	<b>\$ 12,622,189</b>	<b>100.0%</b>

OPERATING EXPENSES		Percentage
Power	\$ 4,794,721	43.5%
Oper/Maint	\$ 2,184,081	19.8%
Consumer Svc	\$ 665,520	6.0%
Admin/Genl	\$ 1,357,346	12.3%
Depreciation	\$ 1,568,613	14.2%
Taxes	\$ 456,218	4.2%
<b>TOTAL</b>	<b>\$ 11,026,499</b>	<b>100.0%</b>

## Statements of Revenue and Patronage Capital

For the Years Ended December 31, 2023 and 2022

	2023	2022
Operating Revenue	\$ 12,622,189	\$ 12,599,953
Operating Expenses:		
Cost of power	4,794,721	5,371,586
Transmission	26,300	11,017
Distribution - operation	1,529,192	1,628,236
Distribution - maintenance	628,589	710,693
Consumer accounts	347,473	333,145
Customer service and informational	303,257	344,440
Sales expense	14,790	13,651
Administrative and general	1,357,346	1,324,376
Depreciation and amortization	1,568,613	1,518,850
Taxes	456,218	496,777
Total Operating Expenses	11,026,499	11,752,771
Operating Margins before Fixed Charges	1,595,690	847,182
Fixed Charges:		
Interest on long-term debt	513,480	461,328
Operating Margins after Fixed Charges	1,082,210	385,854
G & T and Other Capital Credits	752,030	732,412
Net Operating Margins	1,834,240	1,118,266
Nonoperating Margins:		
Interest income	130,712	67,867
Other nonoperating income	18,229	34,982
Net Margins	148,941	102,849
Net Margins	1,983,181	1,221,115
Patronage Capital, Beginning of Year	19,810,138	19,782,445
Retirement of Capital Credits	(1,089,671)	(1,193,422)
Patronage Capital, End of Year	\$ 20,703,648	\$ 19,810,138



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**SREC Trustees**

**District 1**

Leonard Sivumaki

**District 2**

Russ Bloom

**District 3**

John Burgmaier

**District 4**

Bryce Johns

**District 5**

Chris Music

Secretary/Treasurer

**District 6**

Mitch Johnson,

Vice President

**District 7**

Robert Pasha,

President