

OTECC Membership Meets

Co-op enjoys successful year while preparing for challenges on the horizon

By Debby Schoeningh

"We are thankful that we can gather and acknowledge what happens when men and women work together within the community, when men and women work and struggle to make decisions, when men and women gather and celebrate."

— **Pastor Juanita Bergacker**

The words of Juanita Bergacker, pastor of the Baker United Methodist Church, echoed throughout the show barn at the Baker County fairgrounds in Baker City on May 3, as she gave the invocation to start the 22nd annual meeting of Oregon Trail Electric Consumers Cooperative (OTECC).

Three hundred OTECC members sat at white linen-clad tables lined with potted plant centerpieces, while even more took up extra chairs that were placed along the walls.

This was the best-attended annual membership meeting to date.

The Ruralites, aka Too Loud MacLeod and Sweet Medicine, entertained as members renewed old friendships and made new ones.

OTECC's own Frank Carlson belted out several tunes, including "Whole Lotta Shakin' Goin' On"—and members shook hands and moved to the music.

The four 2007 Youth Tour delegates were introduced and each gave a brief presentation on their OTECC-sponsored trip to Washington, D.C., where they joined 1,500 other youths from electric co-ops around the nation.

Jennifer Young of Baker City, Holly Shyrer of Burns, Rebecca Maxwell of Union and Kathy Springer of Prairie City expressed



OTECC Director David Baum draws door prize tickets, assisted by Amanda Bailey and Director Charles Hofmann. Photos by Steve Schauer, member services manager.

appreciation to OTECC members for what they described as an "incredible experience."

They said seeing national monuments, learning about the federal legislative process and visiting places such as the Smithsonian museum gave them a perspective they couldn't get by reading textbooks.

Before this opportunity, Rebecca, who also was selected to represent Oregon on the National Rural Electric Youth Leadership Council, said, "I just kind of took electricity for granted. I turn on the light and it comes on. I turn on my stereo and the music plays. It really made me appreciate how much the electric cooperative really does for me personally."

The 2008 delegates scheduled to leave for Washington on June 12 are Steven Crader of Union, Savannah Kowing of Canyon City, Dakota Olson of Baker City and Patrick Stampke of Hines.

During the business portion of the meeting, OTECC Board President Gary Miller recounted the history of OTECC, which began with a single penny from 700 potential members to secure a \$33 million loan.

"Today, 20 years later, electric system investments, strengthening and upgrading continues," Gary said. "OTECC today serves approximately 30,000 members and operates an electric system representing an investment of over \$122 million."

He said fiscal year 2007 was a



Clockwise from upper left, 2007 Youth Tour delegates Jennifer Young, Rebecca Maxwell and Holly Shyrer (not pictured, Kathy Springer). General Manager Werner Buehler. Donna Round, OTEC office supervisor in John Day, hands out prizes to members. Board President Gary Miller addresses the membership.



good year for OTECC, with no rate increases, ongoing system investment and tree trimming, which continues to reduce power outages and their duration.

Other highlights of 2007 included:

- \$2.18 million in capital credits returned to members.
- \$40,000 in college scholarships given to 20 area students.
- \$41,000 donated to local civic organizations, schools and low-income bill payment assistance.
- \$200,000 for energy-saving projects for members.
- \$5 million-plus generated in operating margins.
- Continued to reduce debt and grow membership equity, which is now more than 52 percent.
- Hired Werner Buehler as OTECC's executive vice president and general manager.

Werner said it seems like it has been quite a journey for both he and

OTECC to get to the point where they are today. Werner previously had applied for the position of general manager three times.

On the fourth try, he said, "This time, either I finally gained enough experience, or just enough through experience of applying for the job. As you might expect, I'm tickled to death to be here."

Werner said OTECC does not see the need for a rate increase in 2008, but noted that strategically important challenges are ahead.

He listed three important elements that he contributes to the success of OTECC: great employees, access to low-cost hydropower and the benefit of large industrial electricity sales.

These, he said, "have been like the legs of a three-legged stool supporting our historic success."

However, he added, each of these areas are experiencing challenges,

which lessen their potential contribution to OTECC's continued overall success.

Thirty-four percent of OTECC's employees will qualify for full time retirement in the next eight years. Nationally, 40 percent of senior electrical engineers and supervisors will be eligible for retirement by 2009.

"We will need to manage an industrywide, nationwide shortage of labor in the years to come," Werner said.

As the result of regional load growth, less water being allocated for power generation and water going toward re-establishing Pacific salmon, the Bonneville Power Administration is changing its rate structure. Power sales to meet the growth of OTECC's baseload distribution will not come from the

(Continued on page 8)



Annual Meeting

(Continued from page 5)

same low-cost sources OTECC has purchased in the past.

“Beginning in 2012, all new load growth will need to be supplied by other, more expensive generation sources,” Werner said. “Today, our cost of wholesale power from Bonneville is approximately 3 cents. New sources of generation will more than likely raise it between 6 and 8 cents per kilowatt-hour. Many of the alternate or renewable energy sources could be even higher.”

He said OTECC’s wholesale power costs make up about 50 percent of the total cost of providing electrical service to members.

Addressing the third element, he said five of OTECC’s 10 historically largest industrial customers and local employers no longer exist. The current sales trend of this segment of OTECC’s business is declining at a steep rate, about 18 percent in just 13 years.

Even so, Werner said he is excited



Top, members gather for the annual meeting. Above, Phyllis Cummings and door-prize winner Henry Bates.

about the challenges and the opportunities in OTECC’s future.

“I am very confident about our ability to manage them,” he said. “The membership, the board, management and the employees of the

cooperative have a history of persistence and perseverance in their ability to achieve a common vision. We can and we will successfully deploy strategies to manage the challenges and opportunities before us.”

Three incumbents were re-elected to the OTECC Board of Directors to help manage these challenges for the next three years: Gary Potter of Union County, Charles Hofmann of Baker County and Robert Cargill of Harney County.

After the meeting, members enjoyed a lunch of barbecued beef and baked chicken sponsored by OTECC and catered by Trish Everson of Baker City. OTECC employees served the meal and worked hard to organize and stage the event.

Tom Thomason of Baker City won the drawing for the opening prize, which was a Uniden digital camera. Alvin Ward of Baker City won the grand prize of a Kenmore air conditioner.

Sixty-three other prizes, including gift cards, tool sets and flower baskets were given out to members whose names were drawn. ■