

VIGILANTE ELECTRIC COOPERATIVE

A Touchstone Energy® Cooperative 

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OWNED BY THOSE WE SERVE

Off the Clock

Then & Now . . . Thoughts by Linda Meine

When I began my career at Vigilante Electric Cooperative (VEC) in 1976, I was hired as a cashier but was to train to replace Service Order Clerk Audy Hignight, who was going to retire. Four months later, the secretary resigned and I assumed her position. My job evolved over the years to include accounts payable, payroll and general accounting, in addition to regular secretarial duties for the manager and staff, so along with that evolution came my new job title — staff assistant.

This March, VEC celebrated its 79th Annual Meeting; I have worked 41 of them. I was 21 years old when I started, and not even eligible for the retirement plan for four more years. I was hired by Wilbur Anderson, who had just replaced Boyd Quick the previous year. I have only worked for two other managers, Dave Alberi and Rollie Miller. VEC has had seven managers, so counting Mr. Quick, I have known or worked for more than half of the managers.



Linda, Jackie Clark, Barb Delano and Emily May working registration at Vigilante Electric's 2017 Annual Meeting.

The office building was dedicated in 1955, the year I was born, so if you do the math the building is 62 years old. It looks much the same on the outside, except for the board meeting room added in 1984. The inside underwent an extensive remodel in 1997. The inside staff moved into the board room during the remodel and the board met across the street in our garage/warehouse. We shared those close quarters for almost three months.

As I was thinking about this article, I wanted to note how the cooperative has changed over the years, but also how it has remained the same, the following are some comparisons from 1977 and 2016:

- Nine board members, then and now
- 2,383 members then, 5,498 now
- 3,971 meters in 1977 vs. 9,589 meters today
- 1.94 consumers per mile vs. 2.01 now
- 68,843,000 kWh sold in 1977 vs. 161,311,000 kWh sold in 2016
- 21 employees then, 25 employees today
- Headquartered in Dillon with two outposts — Whitehall and Townsend, then and now
- Cost of power purchased in 1977 was \$294,000; in 2016, the cost was \$6,114,084

In 1978, we did the first conversion to computers; we have done two software conversions since then. The board members now utilize iPads for their meetings. When I first came to the cooperative we had meter readers, then members self-read, and then back to meter readers. Today, meters are read by power line carrier — a much more reliable system.

There were six rates, including one

for yard lights, in 1977. The residential rate was four steps with a base charge of \$4. The base charge today is \$23 and has only one step. If you used 2,000 kWh in 1977, your bill was \$43.70 vs. \$139 at today's rate, so electricity only costs three times more today. The cost of gasoline was \$.34/gallon vs. \$2.34/gallon, making gasoline seven times more expensive. But those are enough facts and figures.

I will miss the customers who provided an occasional chuckle for our staff. One lady who had fallen behind on her bill told the office that if we would just stop billing her she could catch up, but she was not about to stop using the electricity. Another time I was telling a customer that his power was out because someone had torn down the power line, to which he replied "it must have been a case of rectal cranial inversion." It took a minute for that to sink in.

A telemarketer called, and when he was told the person he asked for was out of the office, he responded with "liar, liar, liar," and then hung up on us.

When I was pregnant, our Line Superintendent Heinie Richardson sauntered up to my desk one morning and quizzed me about baby names. He said if I had a boy I could name it after him — then I would have a "Heinie Meine." Thank goodness I had a girl!

One morning we came to work to find the manager had already made coffee; unfortunately he had used the toxic cleaning water from the distilled water maker. Thankfully an alert employee noticed the "fizzing" before she drank it. The manager took some teasing for trying to "bump off the staff," and I don't recall if he ever made coffee again.

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Avian Protection — Doing Our Part

As you drive around our service territory, you can't help but notice the absolute beauty of the area. From the mountains, to the rivers, to the abundant wildlife, we provide electric service in a truly amazing place. With these treasures, however, come some challenges. One in particular is that our service territory is a primary corridor for migratory birds, and it shouldn't be a surprise to anyone that power lines and birds are a bad combination.

Vigilante Electric has a history of going to great efforts to protect the avian population. We have rescued raptors, built nesting perches and changed several construction practices in attempts to reduce avian mortality and the outages that come from this interaction. In early 2016, our efforts became more coordinated when we worked with 21 other Montana electric cooperatives, our statewide association and several government agencies to formalize and adopt an avian protection plan.

While such plans are recommended by numerous state and federal agencies, they are not required by law. With the Montana electric cooperatives banding together and working with the various government agencies, our plan ensures compliance with the federal laws that protect birds, including the Endangered Species Act, the federal Migratory Bird Treaty Act — under which many birds in Montana are included — and the Bald and Golden Eagle Protection Act.

Under the plan, electric cooperatives agree to implement avian-safe construction design standards for all new construction, and to retrofit older lines with the measures as other scheduled and emergency work is performed.

Examples of these measures include line markers to help birds see power lines in low-visibility conditions, insulated jumpers and covered bushings, and fiberglass crossarms, which help prevent birds with large wingspans from hitting contact points simultaneously and make it harder to perch



on the crossarm. Cooperatives will also bury lines in waterfowl protection areas, as identified by the U.S. Fish and Wildlife Service.

“What is kind of cool is we believe it's the first time multiple utilities in a state have come together and formed an avian protection plan,” said Gary Wiens, assistant general manager of the Montana Electric Cooperatives' Association. “Taking this approach made sense for the cooperatives and for the government agencies involved.”

Wiens said that cooperatives voluntarily undertaking these measures, along with coming together to form the statewide Avian Protection Plan, is a testament to the co-ops caring about the areas they serve.

“Our managers and board members live and work in the areas, and they enjoy Montana's beautiful wildlife as much as anyone. We want to be responsible environmental stewards,” Wiens said.

You may be wondering if our efforts under this plan will drive up costs. This plan is very much in line with our mission: to provide the most reliable service at the lowest possible cost. We have already been doing many aspects of this plan for a while, and moving forward, we will continue to work in a cost effective matter to minimize the potential impact on rates.

Cooperative 101 The Birth of Electric Cooperatives, Part 1

The story of how American farms and ranches got modern electric service usually begins with the executive order President Franklin Delano Roosevelt signed on May 11, 1935, creating the federal Rural Electrification Administration (REA). But the saga actually started much earlier, and offers a lesson in the often snail-like pace of socio-economic change.

It begins with the conservationists who surrounded President Theodore Roosevelt (1901–09). Known for defending natural resources such as water and creating national forests, conservationists were also concerned about the increasing disparities between rural and city life. Some of them saw incessant farm toil as a national disgrace.

Near the end of his administration, Roosevelt appointed a seven-member Country Life Commission, which sent out tens of thousands of questionnaires to rural families and held 30 hearings across the country during November and December 1908. In a compassionate report issued in

February 1909, the panel recommended creation of cooperatives for “the securing of telephone service, the extension of electric lines, the improvement of highways and other forms of betterment.”

The president, for his part, sent the report to Congress with a transmittal message that took a swipe at big power companies who were eyeing hydroelectric resources to meet growing urban loads. “It is the obvious duty of government to call the attention of farmers to the growing monopolization of water power. The farmers, above all, should have that power, on reasonable terms, for cheap transportation, for lighting their homes and for innumerable uses in the daily tasks on the farm.”

While Congress took no action on the report, the Country Life Commission put rural electrification on the national agenda, where it remained for decades to come. Rural electric activists took heart when the municipal utility in Los

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Linda Meine *Continued from page 3*

A few years ago on April Fool's Day, all the girls decided to call in sick. That morning we met at IGA to buy donuts before going to the office a little late. We thought it would be fun if the store clerk called the office and pretended she had a question about her bill. She related to us that the gentleman who answered the phone said "just a minute, none of the girls are here right now," and that one of them would have to get back to her. We, of course, found great humor in this prank.

I guess it would not be fair to tell stories on others if I am not willing to tell one on myself. The world is full of acronyms. Not long after starting at VEC, Manager Wilbur Anderson was going to be out of the office but wanted notes taken on a conference call. I sat in for him and began taking notes. At one point someone began talking about "nymphs." I was not about to ask any questions during the call, but I certainly asked for clarification when Wilbur returned. He said NMFS is the acronym for National Marine Fisheries Service, but I had spelled it just as it sounded in the notes.

Capital Credits FAQ

Last month's article regarding capital credits provided an overview of how the system works and how well it has worked for us since the inception in 1947. It is a unique concept, one that creates a little confusion and some very good questions — we will address a few of them here.

1. The number one question we get regarding capital credits is: Why aren't capital credits paid back immediately?

Answer: We use this money for operational expenditures in lieu of loans from financial lenders. This helps the cooperative keep interest costs down, and therefore keep rates down.

2. When I leave the system, will I get paid the capital credits I am owed, or do I have to wait for a regular retirement?

Answer: Members have the option of waiting for a regular retirement or they can receive a lump sum check for allocated capital credits at a discounted rate. Discounting is a financial tool commonly used to determine the present value of a future sum of money. The buying power of \$100 today is greater than the buying power of \$100 twenty years from now. For this reason, we use inverse compounding at an interest rate based on our cost of capital. This ensures that the cooperative still has the capital it needs and that we are fair to those members who wait for general retirement. The same offer is also given to estates.

3. What happens to capital credits upon the termination of a joint membership by divorce?

Answer: There are two options. The allocated capital credits will be divided equally in each person's name or, if mutually agreed upon, all capital credits will be allocated to one of the parties.

Capital credits are just part of what makes electric cooperatives different from other types of electric utilities. The same system has been in place for 70 years because it works. As always, if you have any questions, please feel free to contact us.

I have been fortunate to work for a cooperative with an exceptional board of trustees. Don Jones retired a couple of years ago with more than 50 years of service; he was the last trustee of the original board in place when I began working here. I am not only an employee, I am a member, so I want to thank the board for supporting both the employees and members.

But most of all, I will miss those who I have worked with, both past and present. If you think about it, people spend more waking hours with their co-workers than their families, so in essence, my co-workers have been another family. We have laughed and cried through good times and bad. I have an enormous amount of respect for all of them. I will remain forever grateful for this wonderful job and my co-workers. Thank you for 41 memorable years. I will now join the list of retirees and will see you at the next annual meeting as a member.

To honor Linda and her 41 years at Vigilante Electric Cooperative, a few of the people she worked with over the years provided the following thoughts.

Linda has been a very long term dedicated employee. She is very knowledgeable about the Cooperative with her experience for the last 41 years and that will be missed. My hope is that she and Rich will have as many years in retirement as she had working here at Vigilante Electric. Happy retirement from all of us Linda!

Rollie Miller, Manager, Vigilante Electric

Linda. IT'S ABOUT TIME. What has it been? Something like 50 years? Maybe it just seems that long. At any rate, you have had a good career and have been a valuable asset to the board and members of Vigilante. Candy and I wish you all the best in retirement. I know that you and Rich will totally enjoy this new chapter in your lives. Spoil that grandchild.

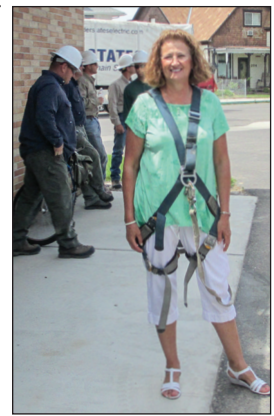
Dave Alberi, Retired General Manager, Vigilante Electric

Linda was always very professional in her work and in her conversations with the public. Linda was a wealth of information about Vigilante Electric Cooperative as a business and as a group of members. I could count on her to know not only the why and how something came about, but who was involved. I wish her many happy years of retirement.

Ralph Dreyer, Retired Office Manager, Vigilante Electric Cooperative

Linda writes that she considers the people that she has worked with over the years at Vigilante to be family. I, fortunately, have been blessed twice in this regard. My dad was the manger at Park Electric, and I have worked here for nearly 20 years. The people I have encountered in my lifetime because of the cooperative family have had a great impact on my life, and I consider them part of my extended family. Linda is part of this. From including my wife and I in her family events, to proofreading stories for publication, to simply listening when I needed to vent — she has always been there and for this, Linda, thank you.

Rod Siring, Member Services, Vigilante Electric



Linda preparing for her one and only bucket truck ride in 2015.

Cooperative 101

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Angeles extended lines to fruit growers in the countryside, and when what was likely the first American electric cooperative — Stony Run Light & Power Company (predecessor to Montevideo, Minn.-headquartered Minnesota Valley Cooperative Light & Power Association) — was established in Yellow Medicine County of the North Star State in 1914. Also that year, Tunnelville Cooperative Electric Company in Vernon County, Wis. (forerunner to Westby-based Vernon Electric Cooperative), energized an initial 10 farms on November 1. By 1930, 46 consumer-owned cooperatives had organized in 13 states, although most were very small, serving just 10 to 360 members.

Power company executives first took notice of the untapped rural market before World War I. The National Electric Light Association (NELA), forerunner to the Edison Electric Institute, the Washington, D.C.-based service organization for investor-owned utilities (IOUs), urged its members to go after rural business, although NELA's Committee on Electricity in Rural Districts didn't see a clear path to profit. The committee's chairman, in fact, discouraged power managers from serving individual farmers. The real money, he advised, was in rural industries such as quarries and creameries.

Still, the NELA committee recommended a national edu-

cation program to acquaint farmers with profitable uses of electricity. In 1911, the U.S. Department of Agriculture (USDA) was urged to publish an electricity uses bulletin, and the U.S. Census Bureau asked to collect data on farm electrification. Two years later, USDA Secretary Agriculture James Wilson, in one of his last official acts after a record 16 years in the post, formally urged that a count of farms using electricity be included in the Census.

Despite the rural electric educational campaign, IOU emphasis remained on selling appliances and machinery, not building infrastructure, and nothing much changed. The roadblock to expansion was price. The power companies required farmers to pay for line extensions that could cost as much as \$5,000 per mile, as well as a monthly "ready-to-serve" charge. The actual electric rate, running between 8 cents and 25 cents per kWh, came on top of that. This was at a time when per-capita income nationally averaged around \$1,800 per year.

In many rural areas, power was not available at any cost. To get around the utilities, enterprising folks deployed "light plants" powered by steam engines and windmills, or complicated battery systems, to provide themselves with electricity. However, these household generators were not only bulky, noisy, costly and dangerous to maintain, but they produced very little electricity — just enough to "light the lights (dimly)" or run a few appliances. The ideal solution was to extend central station electric service into unserved regions.

Rural communities have a voice in Washington

By Dan Riedinger

Given the incessant news out of Washington highlighting partisan bickering and gridlock in Congress, it can be hard to tell whether our elected leaders are listening and being responsive to the concerns of rural Americans. That's why America's electric cooperatives urged members to get out and vote in the last election, and are now focused on advancing the interests of rural communities in our nation's capital. We've asked for a seat at the table — a request that's been met with some success.

Early this year, the National Rural Electric Cooperative Association (NRECA), our national service organization in Washington, led a group of more than 40 organizations in sending a letter to President Trump asking him to make rural issues a top priority of his administration. "As you witnessed first-hand during the campaign, the issues facing rural America are no less significant than those facing urban parts of the country, but can be more easily overlooked because America's small towns and rural areas make up just 15 percent of the nation's population," the groups wrote.

To address this concern, the organizations urged the president to designate a senior member of the White House staff to take point on rural issues or establish an office of rural policy within the Executive Office of the President. In response to this and other electric cooperative outreach efforts, the president in late April signed an executive order establishing an interagency Rural America Task Force to examine the issues facing rural America and identify actions needed to address them.

NRECA CEO Jim Matheson called the creation of the

task force "a key step as we seek to develop rural communities economically. That includes implementing new energy technologies to meet tomorrow's energy needs, while also deploying broadband and other services to enhance daily lives throughout rural America."

Electric cooperatives also have been weighing in on another big topic in Washington: the need to improve the nation's aging infrastructure. Co-ops have told policymakers that they must look beyond merely repairing roads and bridges if a federal infrastructure initiative is going to meet the needs of rural communities. High on co-ops' list of priorities is closing the rural-urban digital divide by expanding rural access to high-speed Internet service, which Matheson calls "a key ingredient for a healthy 21st century economy, particularly in rural areas."

Given this imperative, co-ops were very pleased when the Federal Communications Commission (FCC) appointed Matheson to serve on a newly created Broadband Deployment Advisory Committee. The mission of the panel, which held its inaugural meeting in April, is to advise and make recommendations to the FCC on how to accelerate the deployment of broadband by reducing and removing regulatory barriers to infrastructure investment. Matheson will work to ensure that rural needs are addressed.

This isn't to say that everything in Washington will go co-ops' way. The federal government is a massive bureaucracy with many interests vying for attention. But there's one thing you can count on: Electric cooperatives will fight to make their voices heard on Capitol Hill and within the many federal agencies that impact the quality of life in rural communities. They'll always strive to get a seat at the table.