



# RURAL MISSOURI

September 2010



**CURRENT TIMES**

News for members of White River Valley Electric Cooperative

A Touchstone Energy® Cooperative 

*Official notice of*

## White River Valley Electric Cooperative's 71st Annual Membership Meeting

*Saturday, Sept. 11th at The Tri-Lakes Center, Branson*

The utility industry continues to face an uncertain future. EPA regulations, if allowed, will result in skyrocketing electric rates.

It is important to be informed.

Join us to find out how you can fight the rising cost of electricity and how you can save money *and* kilowatts.

*Together We Save.*

The Tri-Lakes Center is the old Mel Tillis Theater located at 2527 State HWY 248 in Branson.

### Make plans to attend

Admission is free to all White River members - just bring the registration card on this page. The Tri-Lakes Center is located at 2527 State HWY 248 in Branson. For questions regarding the 71st Annual Meeting contact our Member Services Department by calling (417) 335-9335.

#### Plus...

Stop by the **Verify Your Account** information booth and get a free CFL! Don't forget to take advantage of the FREE **Skaggs Regional Medical Center** Health Fair which includes blood pressure and pulmonary function tests. Additionally, a complete lipid panel test and a PSA test will be offered for \$10 apiece, to be paid by the member-owner at the time of service. The complete lipid panel requires a 9-12 hour fast prior to having blood drawn.

## Program

- 8:00 - 10:30 a.m. Registration - Sat., Sept. 11, 2010
- 8:00 - 10:00 a.m. Complimentary Snacks, Free Health Fair, Information booths, Children's Fishing Pond, Ronzo the Clown, Inflatables
- 10:00 a.m. Welcome Ceremony
- 10:15 a.m. Entertainment by *Restless Heart*
- 11:00 a.m. Awarding of Special Prizes
- 11:15 a.m. Meeting called to order  
Officers' and CEO's reports
- 11:50 a.m. Nominating Committee Report,  
Election of Directors, Business Meeting  
Drawing for Prizes  
Adjournment

Entertainment by



*Restless Heart*

## Contact Us

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Branson, MO 65615  
(417) 335-9335  
1-800-879-4056  
[www.whiteriver.org](http://www.whiteriver.org)

Ava (417) 683-4134    Gainesville (417) 679-4916    Ozark (417) 485-6012    Stone County (417) 272-0181

### REGISTRATION CARD

Please detach and bring to the Annual Meeting

# Notice of Annual Meeting

Notice is hereby given that the Annual Meeting of members of White River Valley Electric Cooperative, Inc., will be held Saturday, September 11, 2010, at the Tri-Lakes Center in Branson, County of Taney, State of Missouri. The business meeting will be called to order at 11:15 a.m.

The Annual Meeting agenda will include:

## 1) The report of officers, directors and

committees.

2) **The election of three (3) directors for a term of three years each.** In connection with the election of three directors scheduled at the Annual Meeting, the following members have been nominated by the committee of Nomination pursuant to the Cooperative's bylaws:

Layne Morrill	District A
Russell Jackson	District B
Bill Cook	District E

## 3) Unfinished or new business

# Meeting of Nominating Committee

The Nominating Committee, selected by the board of directors of White River Valley Electric Cooperative, Inc., met in the headquarters office of the Cooperative in Branson, Missouri, at 11:30 a.m., on August 4, 2010.

The following members of the committee were present:

Gaylene Rippee	Richard Ramsey	Robert Craig
Ralph Swanson	Don Smiley	Shena Loftis
Grant McCleave	Ralph Bradford	Bill Gardner

All Committee Members were present.

The Committee organized by electing Robert Craig as Chairman of the Committee and Shena Loftis as Secretary of the Committee.

The Committee then proceeded to do the business assigned them, which is the selection of three (3) members of White River Valley Electric Cooperative, Inc., for nominees for the board of directors of said Cooperative to be voted on by the members at the Annual Meeting of the Members, to be held on Saturday, September 11, 2010.

Application of Bob Schanz for nomination as candidate for District B was presented to the Committee by David Smith, attorney.

After due consideration, the Committee made the following nominations for the board of directors to be voted on at said Annual Meeting, to wit:

Layne Morrill	District A
Russell Jackson	District B
Bill Cook	District E

No further business appearing, the Committee adjourned.

# Allocation of Capital Credits for FY 2009

At the end of each year, after all of the cooperative's bills have been paid and all expenses considered, the amount of money that is left over is called a margin. Margins provide equity for the cooperative and reflect sound business management of the cooperative's resources. Margins are allocated to the members each year in proportion to their purchase of electricity. "Capital Credits" are a member's share of the margin and are retired in accord with the cooperative's bylaws.

White River Valley Electric Cooperative has completed its annual financial audit for 2009, and \$8,160,631 in capital credits have been allocated

to members of the Cooperative for 2009. Notices advising members of their allocated capital credits for 2009 will be mailed out by December 31.

Each year, capital credits are *allocated* to each member and recorded in the books of the cooperative. Capital credits are *retired or paid* to members after the Board determines that the financial condition of the cooperative will not be impaired if the capital credits are paid or retired. Capital credits may be retired in full or in part, and the manner, method and timing is determined by the Board.

For more information about capital credits,

please visit the Cooperative's website at [www.WhiteRiver.org](http://www.WhiteRiver.org) or call (417) 335-9335.

# 2009 Annual Meeting Minutes

The 70th Annual Meeting of Members of White River Valley Electric Cooperative, Inc. was held at the Tri-Lakes Center, Branson, Missouri, on Saturday, September 12, 2009.

Approximately 3040 people attended the event. A total of 1452 members registered. President Pat Funk opened the meeting and introduced Attorney David Smith whom established a quorum.

Attorney Smith then turned the meeting over to Director Morrill; Morrill then asked for a motion to dispense with the reading of the Notice of the Annual Meeting and that the Notice be approved as presented in the Annual Meeting Notice having been mailed to all members in August 2009. Motion was made, seconded and passed.

Director Morrill asked for a motion to

dispense with reading of the 2008 Annual Meeting Minutes, the Secretaries Report, and CEO's Report and that the minutes and the reports be approved as presented in the Annual Meeting Notice mailed August 2009. Motion was made, seconded and passed.

Director Morrill then introduced CEO Hamon. Hamon introduced the Board of Directors. Hamon also introduced employee Grant Hulland who had served his Country in Iraq for the second time. A video was shown to the membership of his tour of duty. Hamon then addressed the members and a lengthy time was spent taking questions from the membership.

Next, CEO Hamon discussed and explained to the Members the Board's recommendation for amending the bylaws.

CEO Hamon recognized Richard Ramsey as

the Chairman of the Nominating Committee then asked Attorney Smith to read the report of the Nominating Committee. Smith then proceeded to conduct the election of directors, calling for nomination from the floor. There being none, motion was entertained that the three directors selected by the Nominating Committee be elected by acclamation. Motion carried. Those elected for a three-year term are:

District B, Bob Simmons; District C, George Simpson; District D, Russell Loftin.

Attorney Smith then called for a vote on the bylaw revisions as published with the notice and the revisions were unanimously approved by the membership.

There being no further business appearing, the 70th Annual Meeting of Members was adjourned SINE DIE.

# Secretary - Treasurer's Report

## Auditor's Statement

**B**KD, LLP, a certified public accounting firm from Little Rock, AR, has audited the 2009 records of White River Valley Electric Cooperative, Inc. The following statements are from a letter dated April 14, 2010 submitted by the auditors to White River Valley Electric's board of director's and the Rural Utilities Service.

"We have audited the accompanying consolidated balance sheets of White River Valley Electric Cooperative, Incorporated as of December 31, 2009 and 2008, and the related consolidated statements of revenue and patronage capital and cash flows for the years then ended."

"We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion."

"In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of White River Valley Electric Cooperative, Incorporated as of December 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principals generally accepted in the United States of America."



**Layne Morrill**  
Board of Directors  
Secretary-Treasurer

## Statement of Operations

	<u>2008</u>	<u>2009</u>		<u>2008</u>	<u>2009</u>
<b>Assets (what we own)</b>			<b>Revenue</b>		
Electric plant less depreciation	\$161,316,346	\$169,858,447	Operating revenue	\$69,886,159	\$ 73,796,070
Investments, associated organizations	15,513,563	18,156,872	Other revenue	4,048,381	5,890,750
Investments, other	31,435,500	23,073,011	<b>Total Revenue</b>	<b>\$73,934,540</b>	<b>\$ 79,686,820</b>
General funds	8,451,947	8,877,739	<b>Expenses</b>		
Accounts Receivable	10,327,900	10,960,563	Purchased power	37,699,539	41,366,045
Materials and supplies on hand	2,109,855	1,974,187	Operations	3,191,915	3,471,599
Other current and accrued assets	4,993,252	5,272,000	Maintenance	5,607,874	5,340,656
Deferred charges	(5,495)	1,287	Consumer accounting and collections	3,416,594	3,824,966
<b>Total Assets</b>	<b>\$234,142,868</b>	<b>\$238,174,106</b>	Administration & general	3,664,020	3,863,744
<b>Liabilities (what we owe)</b>			Depreciation	5,853,592	6,153,451
REA long-term debt	\$96,766,534	\$ 94,838,116	Taxes	952,949	1,099,689
REA Economic Dev. long-term debt	1,525,000	981,004	Interest	6,285,524	6,915,918
CFC long-term debt	46,072,149	44,385,060	<b>Total expenses</b>	<b>\$66,672,007</b>	<b>\$ 72,036,068</b>
Accounts payable	4,444,040	5,269,038	<b>NET MARGINS</b>		
Consumer deposits	1,146,388	1,184,170		<b>\$7,262,533</b>	<b>\$ 7,650,752</b>
Other current and accrued liabilities	1,903,658	1,608,305			
Deferred credits	535,020	521,487			
<b>Total liabilities</b>	<b>\$152,392,789</b>	<b>\$148,787,180</b>			
<b>Net worth (our equity in assets)</b>					
Membership fees	\$198,080	\$ 187,900			
Patronage Capital & Other equities	81,551,999	89,199,026			
<b>Total net worth</b>	<b>\$81,750,079</b>	<b>89,386,926</b>			
<b>Total liabilities and net worth</b>	<b>\$234,142,868</b>	<b>\$ 238,174,106</b>			

## Annual Statistics

	<u>2008</u>	<u>2009</u>
New Services	967	550
Miles of line added	86	57
New plant investment	\$15,424,546	\$12,959,207
Operations and maintenance	\$8,799,789	\$ 8,812,255
Peak demand (kw)	210,758	201,067
Kilowatt Hrs sold to members	751,342,201	714,394,298
Total revenue	\$69,886,159	\$73,796,070
Margins	\$7,262,533	\$ 7,650,752
Capital credits	\$2,093,743	\$ 3,677,102
Operating margins	\$4,524,697	\$ 3,187,384
Non-operating margins	\$644,093	\$ 786,266

### Board of Directors

Joe Brazeale, Ozark  
**President**

Bob Simmons, Branson  
**Vice-President**

Layne Morrill, Kimberling City  
**Secretary - Treasurer**

Russell Loftin, Ava  
Keet Short, Galena  
Russell Jackson, Kirbyville

Pat Funk, Gainesville  
Bill Cook, Theodosia  
George Simpson, Sparta



**Joe Brazeale**  
**President,**  
**Board of Directors**

## From the President

**A**s the president of White River Valley Electric Cooperative's board of directors, I'd like to take this opportunity to personally invite each of you to attend the 71st Annual Meeting of Members on September 11th at the Tri-Lakes Center in Branson.

Electric cooperatives are businesses "of, by and for" the people they serve and represent. Being a member-owner of WRVEC means you, along with your neighbors, own the company and have a voice in the decisions made on your behalf. And that is one of the fundamental differences between your local electric cooperative and other energy providers.

The Annual Meeting not only provides you the opportunity to gain insight about the challenges the electric industry is facing, but it also gives you a glimpse of how your cooperative operates on a day-to-day basis. What's more, the Annual Meeting is held in a family-friendly environment that allows you and

your family to enjoy our rural way of life. There will be free activities for the kids, door prizes, snacks and entertainment by Restless Heart.

The future of the electric industry is uncertain and more changes are inevitable. Rest assured, your cooperative and the entire national network of rural electric cooperatives will be by your side every step of the way, defending the cooperative way of doing business.

It has been a pleasure serving you this past year and I sincerely look forward to visiting with as many of you as possible at this year's Annual Meeting.

## CEO's Report

**A**s we celebrate the cooperative difference at the White River Valley Electric Cooperative's (WRVEC) 71st Annual Meeting of Members, we will be commemorating much more than just another successful year of operation. We will be celebrating the vision and commitment of a locally governed board of directors and 139 employees who are dedicated to serving our member-owners and the community.

Over the past several years, the utility industry has been hit with many challenges and climate change legislation tops the list. Just as our founding members showed their perseverance to illuminate the countryside in 1939, we once again have proven that the cooperative spirit still burns strong and that we are a force to be reckoned with. As the climate change debate heated up, we called on you, our members, to take a stand and make your voices heard. The response was overwhelming. Since 2007, electric cooperative members have inundated Congress with messages urging lawmakers to consider electric bills as they debate the climate change issue. Through the "Our Energy, Our Future" grassroots campaign, more than 3.2 million messages have flooded House and Senate offices. This includes more than 114,000 from WRVEC members.

WRVEC was recently honored by the National Rural Electric Cooperative Association for our efforts with the Edgar E. Chesnutt award, which is the highest honor bestowed through the organization's Spotlight on Excellence program. And while the accolades are nice, the real prize is what happened in Congress as a result of your involvement.

On July 22, Sen. Harry Reid, the Senate majority leader, admitted something electric cooperative members have been trying to tell him for three years: Americans do not want climate change legislation if it means paying dramatically higher rates for electricity and other goods and services.

On that date, Reid was forced to abandon efforts to pass climate change legislation after failing to sway senators from both parties, despite 18 months of arm twisting. Instead, Reid says the Senate will now work on passing a modest energy bill that will focus instead on energy efficiency and the BP oil spill. The move followed several earlier efforts to pass Senate legislation that also failed to gain traction last fall. Those efforts became mired in economic distress and scientific scandals that left many wondering if they can trust any of the science on this issue.

It's important to note that our elected officials from Missouri listened to our pleas and are continuing to fight for you in Washington. When Missouri Sen. Kit Bond addressed the Senate's Environment and Public Works Committee in November 2009, he spoke before a huge stack of postcards sent in by Missouri electric cooperative members. Sen. Claire McCaskill has also expressed that she is not convinced that cap-and-trade legislation is the right way to deal with climate change issues.

That being said, this issue is not dead, and your electric bills are not safe. The Environmental Protection Agency has said it will pass strict regulations that take effect in January 2011 if Congress does not act. These regulations likely will not have any compromises that would soften the blow to consumers.

And while some Congressional members do not believe the balance of power between branches of the government will allow EPA to wield its stick, others are more concerned. Missouri's U.S. Reps. Ike Skelton and Jo Ann Emerson drafted a bi-partisan bill this year that would reign in EPA on the climate change issue. They believe letting EPA regulate carbon would result in a "Glorious Mess." Their reasoning: unlike earlier efforts to control emissions of sulfur dioxide, there is no commercially viable option today to remove emissions of CO2 from



**CEO Chris Hamon**

power plants. Utilities would be forced to buy expensive carbon credits to continue generating electricity from coal, or switch to natural gas.

We are concerned about any legislation that would increase costs for members who are already struggling to make ends meet. Electric co-ops typically serve a population that is older, more likely to be on fixed incomes, more likely to be unemployed and more likely to be below the federal poverty level than their urban and suburban counterparts.

We believe that any climate change legislation passed must keep electric bills affordable and the power supply reliable. At the same time, climate change goals need to be achievable so that electricity will never become a luxury only the very rich can afford. Rural America witnessed that take place before electric cooperatives were formed. We never want to return to those dark days again.

I encourage each of you to attend the 71st Annual Meeting on September 11th at the Tri-Lakes Center in Branson. The Annual Meeting still remains the best way for you to get involved in your cooperative and make your voice be heard.