



A Touchstone Energy® Cooperative 

16755 Finley Butte Road
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La Pine, OR 97739

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541-536-2126 • 800-722-7219

Departments

Member Service..... Option 3
Engineering..... Option 4
Marketing..... Option 5
Operations..... Option 6

**After-Hours Outage and
Emergencies: 541-536-2165
or 800-752-5935**

OFFICE HOURS

Monday through Thursday
7 a.m. to 5:30 p.m.
Closed Fridays and holidays

BOARD OF DIRECTORS

President

Alan Parks, Fort Rock

Vice President

Gordon DeArmond, Crescent

Secretary/Treasurer

Vic Russell, Fall River
Diana Cox, Christmas Valley
Bud Kendall, La Pine
Robert Reed, La Pine
Leland Smith, Sunriver
Ron Sommerfeldt, Gilchrist
Ken Wilson, Chemult

Board meets the fourth Monday
of each month at the co-op office.

STAFF

General Manager

Dave Schneider

Operations/Engineering Manager

Steve Hess

Marketing Manager

Teresa Lackey

CFO/Accounting Manager

Jami Bartunek

Information Services Manager

J.D. Powers

Attorney

Raymond Kindley

OR-23

Manager's Message

Dear Member:

Midstate Electric Cooperative's 67th Annual Meeting of the Members, held May 11 at La Pine High School, was well attended with more than 1,000 on hand. Before the business meeting, attendees enjoyed a barbecue, health fair, safety demonstrations and bucket truck rides.

Board President Leland Smith welcomed members to the meeting. He spoke about changes taking place in the electric utility industry and of the co-op's involvement in legislative issues. Representatives from the MEC Board of Directors and management recently visited Salem and Washington, D.C., to voice concerns.

On the state side, cap and trade is a priority for Gov. Kate Brown and will likely pass in some form. Working with the Oregon Rural Electric Cooperative Association, we were successful in having amendments added to the bill to protect public power utilities against sudden rate increases.

On the federal side, Oregon's electric cooperatives' tax-exempt status under the Internal Revenue Code could be in jeopardy due to an unintended consequence of recent changes to the code. There is important legislation in the U.S. Congress to solve this problem called the RURAL Act. We met with senators and congressional delegates to ask them for support.

Derek Moody of Blodgett, Mickelsen and Adamson gave the auditor's report. He reported MEC has net assets of more than \$64 million, margins of more than \$2.09 million and equity of 47%.

I provided highlights that focused on our mission statement, "Midstate Electric Cooperative delivers safe, reliable and

cost-effective energy services while providing outstanding service to our members and communities."

Safety is MEC's No. 1 priority. I am proud of our safety record as one of the best in the industry. Our goal is to continue to stand out in this area. Safety does not stop with our employees. It extends into our communities. We regularly provide electrical safety messages in various mediums and offer high-voltage electrical safety demonstrations.

Our second objective is reliability. By stepping up our tree-trimming program, we have seen a steady decline in outage time. In 2018, our outage time per member was only 67 minutes, which is the lowest we have seen in the past five years.

Our third goal is cost-effective energy. MEC has some of the lowest electric rates in the state and the nation. Even though the Bonneville Power Administration will increase rates October 1, 2019, we have prepared a budget that will not pass the increase on to our members. We also offer cost-effective services such as free energy audits, energy-conservation rebates and electric usage monitoring.

Our mission statement concludes with "providing outstanding service to our members and communities." MEC and its employees take great pride in community service activities. Besides contributing time, we donated more than \$50,000 last year to the communities we serve through MEC and Operation Round Up.

In other business, members reelected board of director incumbents to additional three-year terms: Gordon DeArmond, District 3; Ron Sommerfeldt, District 4; and Bud Kendall, District 6.

General Manager Dave Schneider