



A Touchstone Energy® Cooperative 

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Departments

Customer 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

Leland Smith, Sunriver

Vice President

Alan Parks, Fort Rock

Secretary/Treasurer

Diana Cox, Christmas Valley

Vic Russell, Fall River

Robert Reed, La Pine

Gordon DeArmond, Crescent

Ron Sommerfeldt, Gilchrist

Ken Wilson, Chemult

Bud Kendall, La Pine

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 annual meeting on May 6 was well attended. Four hundred and seventy-one registered members and their guests enjoyed a barbecue, health fair, displays, demonstrations and door prizes.

Members were welcomed to the annual meeting by Board President Vic Russell.

"This year marks Midstate Electric Cooperative's 65th year of operation," he said. "I would like to applaud the founders for their optimism, dedication and courage in forming the cooperative during the early '50s. It is a remarkable story of growth, hard work and dedication to the cooperative spirit that has provided a vital service to rural Central Oregon."

Russell spoke in depth about MEC's Operation Round Up Program. He presented a \$10,000 grant to Gary Gordon, Karen Miller and Terry Myers of La Pine Park & Recreation. The funds will be used to renovate and develop a playground in the middle of Frontier Heritage City Park.

The auditor's report was given by Derek Moody of Blodgett, Mickelsen and Adamson. According to Moody, with assets of more than \$63 million, margins of more than \$1.47 million and equity of 41 percent, the cooperative is positioned to succeed into the future.

In my report to the members, I gave an update on events that have happened since the last annual meeting, current events and where we are going.

Margins for year-end 2016 were higher than expected due to the cold weather. The electrical system saw a historic peak of 121 megawatts, and a record number of 414 million kilowatt-hours delivered. The higher margins allowed us to accelerate

our tree-trimming program. We cleared more than 108 miles of distribution lines and 33 miles of transmission lines. Getting the legally required clearance between power lines and trees is paying huge dividends. The number of minutes members were without power declined by 88 percent from 2015.

A few of the more pressing issues going on today at MEC are centered around the price you pay for electricity.

The Bonneville Power Administration will implement a rate increase this year. The amount of the increase will be announced in July.

The 2017 Oregon Legislature is in session with several pieces of legislation surfacing that, if passed, will raise your electricity bill. Your board and management are working with the Oregon Rural Electric Cooperative Association to do everything we can to keep your electricity reliable and affordable.

A major challenge MEC faces is an aging electrical system that requires upgrades and replacement. We have nearly 30,000 wooden poles in the ground and nearly 780 miles of direct-buried cable. We will begin upgrading and replacing poles and will invest in the replacement of direct-buried cable.

Members running for board positions—Ken Wilson, District 5; Alan Parks, District 7; and Lee Smith, District 9—were unopposed, and therefore re-elected to serve for additional three-year terms.

Our high-voltage safety trailer was on site to present electrical safety demonstrations. If you haven't seen the demonstration, you will have another chance July 4 at this year's La Pine Frontier Days.

General Manager Dave Schneider