

April 2011

# HIGHLIGHTS

From Big Horn Rural Electric Company

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**WREA**  
Western Rural Electric Association



## Big Horn REA Annual Meeting 2011

*Cara Eastwood Baldwin, WREN Editor*  
Spring was in the air at the 72nd annual meeting of the Big Horn Rural Electric Company (BHREC) on March 12.

More than 400 people – including 192 members and their friends and neighbors – came together on a warm spring day at the Greybull High School Gym which had been decorated with bright yellow flowers and matching

employees to serve beverages to the members and pass out information to the tables.

The business meeting began promptly at 11 a.m. with reports from Board President Thomas Delaney, Treasurer Don Russell and Manager Jeff Umphlett.

The co-op had a very good year with strong earnings, Russell said. BHREC's income in 2010 was a healthy \$12.12 million. Nearly 47% of the co-op's power sales come from five large power customers in the oil and gas and minerals sectors. Residential and commercial

a small segment of sales. Russell noted that the company's 60% equity position is significantly above the national aver-



Helpers hand out folding chairs which were given to each person who attended the meeting.



Big Horn REA apprentice lineman Matt Lerwill greets members Linda & George Marcus and Frances Hopkin on their way to register for the 2011 Annual Meeting.

plates.

Students from the Lovell FFA chapter joined the children of BHREC

customers comprise the other 48% of sales with irrigation sales comprising

age of 41%.

BHREC spends nearly 70% of its revenue on the purchase of power from Tri-State Generation and Transmission. Other expenditures are dedicated to maintenance and operations, improvements to the system, insurance and



Board President Tom Delaney conducts business at the 2011 Annual Meeting.

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administration, member service and capital credits paid to members.

The cost of doing business continues to go up for the co-op, President Tom Delaney said. Materials continue to grow more expensive while additional federal regulations related to avian protection, workplace safety and other issues add additional requirements for co-op staff.

Delaney discussed the company's accomplishments this year, including



Big Horn REA Accountant Carrie Hunt registers member Hope Mendez, while members Gary and Grace McCoy wait patiently for their turn.

line and substation construction and upgrades, pole testing, right-of-way maintenance, and improved member services like online bill pay and credit card payments. Big Horn's staff members are active in their communities and Delaney outlined the many contributions they generate for local non-profit organizations and the scholarships and youth programs the co-op makes available to



Chad Reisenauer from Basin Electric in Bismarck, North Dakota, explains how a Kill-a-Watt meter can help you understand how much electricity an appliance is using.

local students.

During his report, Manager Jeff Umphlett thanked the community for their support and commented on the co-op's mission and its impressive safety record. Umphlett recognized the members of the BHREC staff who were in attendance and expressed ap-

preciation for their long tenure with the co-op.

The membership chose new directors for District 1 and District 4 from a group of passionate candidates. Those running to represent District 1 included Mike Carlson, Felix Carrizales and Don Russell. Russell won the election and

will serve a three-year term. Kathy Gilbreath ran unopposed for her seat representing District 4 and will serve another three-year term.

Shawn Taylor, Executive Director of the Wyoming Rural Electric Association, offered an update on the recent session of the Wyoming Legislature,

which he said produced no legislation that related directly to co-ops. Taylor said the nation's lack of a comprehensive energy policy continues to stymie investment and growth in the utility sector and makes it difficult



Members of the 2011 Advisory Committee were Jody Lynne Bassett from Lovell, Peggy Johnson from Manderson, Jan Barnett from Shell, Ann Lawler from Meeteetse and Norma Anderson from Burlington. These ladies were responsible for planning the theme, meal, decorations and hand-outs for this year's meeting.

for companies to plan for the future.

Ken Anderson, General Manager of Tri-State Generation and Transmission Association, spoke to the members on how his company works to keep rates low while also investing in transmission to serve member loads and support system reliability. The company developed a new resource plan in 2010 to meet the electricity needs of its 44 member



Tri-State G & T Executive Vice President/General Manager Ken Anderson discusses how his company tries to keep rates low for member cooperatives, such as Big Horn REA.

electric cooperatives, including BHREC and other Wyoming co-ops. The planning process involved projecting future needs, assessing the existing assets available to meet those needs and identifying any resource gap so that Tri-State can continue to provide reliable and affordable electricity into the future.



A near record crowd was on hand at Greybull High School Gym for the 2011 Annual Meeting.



Members cast their ballots for Directors in Districts 1 & 4.



Members look over the door prizes donated by Big Horn REA vendors before the meeting.



Members winning drawings included, left to right: Jeraline Bachman, Dorothy Nuttall, Albert Henderson, Merle Gipson, Elaine Howard (Paul Howard pictured), Gilbert Haggen, Paul Wambeke and John Bosley (Pamela Bosley pictured).

## \$480,000 Refunded to Members

Each year all margins or profits earned by Big Horn Rural Electric Company are allocated back to the members in the form of capital credits, also known as equity in the cooperative. The allocation to each member is based upon the amount of electricity the member purchased during the year. Capital credits are retained by Big Horn REA to finance improvements and provide for operations. By utilizing capital credits, Big Horn lowers the amount of funds that must be borrowed for plant improvements thereby reducing interest costs.

Generally speaking, capital credits are refunded on a 30 - 35 year rotation basis, meaning those capital credits earned in a given year will generally be paid back in cash approximately 35 years after the year in which they were earned. For example, the \$480,000 in capital credits paid at the recent annual meeting were earned in the years of 1976, 1977, 1978 and/or 1979. As Treasurer Don Russell stated at the Annual Meeting, Big Horn has refunded over \$2.3 million to its members over the last 10 years. In the past, Big Horn has been making a general refund of capital credits every two years. If that trend continues and finances allow, then in the year of 2013 there would be a refund for the year of 1980.

As explained earlier, Big Horn utilizes capital credits for financing improvements. Loans that must be secured by Big Horn are for 35 years. Hence the general correlation between a loan being financed for 35 years and the capital credits being retired after 35 years of being earned.

The allocation and payment of capital credits to its member/owners is just one of the advantages of belonging to Big Horn Rural Electric Company. Your loyalty and trust to Big Horn is sincerely appreciated.



Big Horn REA employees Bill Phillips and Fred Sherburne hand out Capital Credit checks to members.

# Plan Your Burning Before You Begin



It's spring! All across Big Horn REA's service territory, members are preparing to plant. In clearing weeds and debris to begin the planting process, burning fields and ditches is a common method used by many people. Every spring and fall Big Horn's employees witness damage being done to Big Horn's poles and equipment by "controlled" burns. Please be aware that burning or even scorching a pole will compromise the integrity of the structure.

Power poles are treated with a protective coating that prevents moisture from entering the core of the pole and causing deterioration. If a pole is scorched or blackened, the protective coating is damaged. Though it may appear as just a discoloration or slight burn, this is, in fact, damage to the

pole. This will significantly shorten the life of a power pole. This pole may then become a hazard and/or cause an outage.

Big Horn once again reminds members to plan your burning before you begin. It is much cheaper to prevent a pole from catching fire than to pay for a new pole. Members will be held liable for the replacement cost of pole(s) and/or equipment due to fire damage. This cost may vary from \$1,000 to over \$2,000 depending on the structure of the pole and equipment. It only takes a little extra effort to prevent pole damage and help control costs for you and your cooperative.

Burning of ditches and fields does not have to result in the burning/scorching of power poles. If there are power poles in the area to be burned, clear the vegetation/weeds at least four feet around the base of the pole and wet the base of the pole with water before beginning to burn. If the fire does get away from you and a pole becomes engulfed in flames, immediately call the fire department and Big Horn REA. Do not spray water close to the conductors! Water and electricity do not mix! This may cause a short circuit. You and/or the firefighters could be in the path of that current and serious injury or death may result.

Report any fire damaged pole to Big Horn REA immediately. Not reporting the damage may cause a serious accident to happen later. One spring a member driving down the road called us to report a pole that had been burned through and fallen over. This left the energized lines about a foot off the ground. If a person had come into contact with the line, they most likely would have been seriously burned, or even killed. The person responsible for the burning was not even in the area. This carelessness could have cost a life.

Jeff Stocklin, Big Horn's Line Superintendent advises "Please be a responsible member by controlling and monitoring your burning to prevent damage to Big Horn's poles and equipment."

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is an official publication of  
**BIG HORN RURAL  
ELECTRIC COMPANY**



Touchstone Energy®

Box 270                      VOLUME 32 NO. 3  
Basin, WY 82410        (307) 568-2419  
FAX 307-568-2402    1-800-564-2419  
bhrec@bighornrea.com  
www.bighornrea.com

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**MANAGER: Jeff Umphlett**  
jeff@bighornrea.com

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### Board of Directors

Tom Delaney ..... President  
Greybull • 765-4732  
tomdelaney@bighornrea.com

Kathy Gilbreath ..... Vice President  
Meeteetse • 868-2261  
kathygilbreath@bighornrea.com

John Joyce ..... Secretary  
Manderson • 568-2514  
njoyce@tctwest.net

Don Russell ..... Treasurer  
Basin • 568-2019  
donrussell@tctwest.net

Charles Monk ..... Ass't. Secretary  
Lovell • 548-6686  
charliemonk@bighornrea.com

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### Staff and Crew

Warren Adams	Bill Phillips
Todd Herman	Fred Sherburne
Carrie Hunt	Gael Sosa
Sheila Kampbell	Jeff Stocklin
Matt Lerwill	Kendal Wambeke
Floyd Mitchell	

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For Outages or Trouble  
Call the office number: **ANYTIME**  
(307) 568-2419 or 1-800-564-2419  
After 5 p.m., weekends and holidays  
all calls will be answered by our professional answering service, who will contact the appropriate person(s).



## Energy Efficiency

### Tip of the Month

Electronics account for 8.1 percent of your home's energy use. Cut costs by plugging items into a power strip, and turning the strip off when not in use. "Smart" power strips are another good option— when one master device like a TV is turned off, it cuts power to other selected items (DVD players, gaming consoles, stereos, etc.).

Source: U.S. Department of Energy