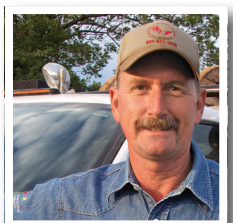
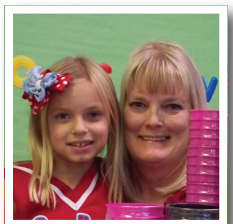


# 2010 ANNUAL REPORT



**Improving  
Your Quality  
of Life**



VERDIGRIS VALLEY ELECTRIC COOPERATIVE, INC.

**PowerCircuit**

A Supplement to Oklahoma Living

Volume 70 • Number 10 • October 2011



VVEC is a distribution electric cooperative providing electric service to residential, commercial and industrial consumers.

- Headquartered in Collinsville, Oklahoma,
- Incorporated October 24, 1938.
- 34,391 meters
- Over 4,649 miles of electric line
- Services Nowata, Osage, Rogers, Tulsa and Washington counties
- Oklahoma's third largest electrical cooperative based on the number of meters served.
- Ninety employees cover the Cooperative's more than 4,671-square mile service territory daily maintaining the electric system and providing consumer-oriented service.
- Warehouse and maintenance facilities located in Nowata and Bartlesville, Oklahoma.
- VVEC is a non-profit corporation wholly-owned by the members it serves.

## TRUSTEES

- Governed by a nine-member board of trustees who are elected at district meetings by the members residing in those districts.
- Office terms are for three years
- Three trustee positions elected each year

In addition, VVEC promotes the safe and economical use of electricity among the membership and participates in community and other activities that are in the interest of the membership and general public.

The October 15, 2011 Annual Meeting marks the 73rd time members of VVEC will gather to hear the accomplishments, activities and financial reports of the Cooperative's previous year.

Power Circuit is published monthly by Verdigris Valley Electric Cooperative, Collinsville, Oklahoma for its members in Tulsa, Rogers, Washington, Nowata and Osage counties. Periodical postage paid at Tulsa, Oklahoma and other additional mailing offices. Subscription price is \$0.21 per month.

POSTMASTER - send address changes to Power Circuit,  
P.O. Box 219, Collinsville, OK 74021.

Volume 70 • Number 10 • October 2011

## Improving Your Quality of Life

Pursuing an improved quality of life is what gave birth to electric cooperatives. You know the story of those people who lived in the nation's rural areas and whose quality of life was improved drastically when President Franklin Roosevelt's Rural Electrification Act funded the creation of electrical distribution systems throughout those rural areas.

But it took more than federal legislation and congressional funding; it took local residents giving of their time and efforts to make life better.

Those area residents held meetings to create individual cooperatives such as VVEC. They worked with representatives of the Rural Electrification Administration (REA) to obtain funding. Neighbors visited neighbors collecting required membership fees. Area men worked together to set utility poles and string electric line. Great effort from a few improved the quality of life for many.

Improving our members' quality of life has been a priority for VVEC since the co-op's creation. Today, as it was in the beginning, we feel our initial obligation to that effort is to provide dependable, affordable electric service. Having some of the lowest rates in Oklahoma is testament to the success of that endeavor.

But as VVEC has grown, we have found numerous other ways to improve quality of life. We helped members learn how to use their new electric service to make residential life easier, and their commercial lives more productive. We taught efficiency so members could realize the most from their energy dollars. We introduced state-of-the-art technology such as ground-source and air-source heat pumps. We developed rebate programs to make equipment, appliances, and the use of modern, efficient technology more affordable.

We have participated in the Youth Tour program since it began in 1964 under President Lyndon Johnson's guidance. Since that time, we have sponsored almost 200 area youth as they have visited the nation's capitol, witnessing our government at work, and understanding what it means to be an American.

As a long-time friend of education, we created the Adopt-A-School program in 1993.

Through this program we partner with our area school systems to provide needed equipment, study aids, playground equipment, books and software. To date, we have contributed over \$77,000 to this program.

Our Rural Fire grant program allows us to assist area fire departments in obtaining equipment and training which helps lower insurance ratings, and in turn, lowers members' insurance premiums. Since it began in 1995 we have given more than \$157,000 in grants.

Both of these programs have served as patterns for similar programs for other electric cooperatives.

But I feel the reason we as an organization are so successful in improving our members' quality of life is because we have employees and trustees who are generous with their time, talents, and efforts such as those very first co-op members were.

Today we have employees who give of themselves without expecting or receiving any monetary compensation. They work with area youth by coaching little league teams, or are involved with church youth groups. We have employees who give of their time to mentor to young people suffering debilitating illnesses. Not all pain and loss is suffered by our human neighbors; we have employees who are sympathetic to our four-legged loved ones, and so they offer their assistance. We have employees who extend the work of their churches by visiting the sick or infirm.

Throughout this annual report you will meet a few of our people who make a difference through their generosity. They are but just a handful of the outstanding people we are fortunate to have working with us at VVEC. I am proud of each of them for choosing to make a difference and to contribute to improving lives and bettering communities.

As an organization, we will continue to focus on programs and services that enhance your lives as we continue to provide reliable, affordable electric service. I have no doubt we will continue to be successful in these endeavors because improving and enhancing others' lives is the quiet, understated mission of our people.

## EMPLOYEE OF THE YEAR

Randy Parsons

Loyalty and generosity are two of the main reasons VVEC employees honored co-worker Randy Parsons as the cooperative's 2010 Employee of the Year.

Parsons, who began his career with VVEC in 1990, is currently a construction lineman.

"He is our most experienced foreman," says Randy Riddle, manager of operations and technical services. "He supervises a construction crew and has trained, or helped train, many of the young linemen we have working for us today. Randy was voted Employee of the Year because of the knowledge he shares with his co-workers, his patience with the younger ones, and the loyalty he shows toward his crew members."

Although the identity of the recipient is kept secret until the employee Christmas party, Parsons says he was truly surprised to be given this honor.



"VVEC is a good place to work. I have a good career here, and these are good people to work with," he says.

## PROFILE John Hibdon Trustee

"Beside being a grandparent, this is the most fun I've had," John Hibdon says smiling, when he talks about coaching young boys in the Barnsdall Elementary Wrestling Program.

For the past 32 years, 'Coach John' has taught the fundamentals of wrestling to Barnsdall boys between the ages of 5 and 13. Although the program uses Barnsdall Public Schools facilities and equipment, the program is not school sponsored.

John, who serves as trustee for VVEC's district 4, developed a passion for the sport as he was growing up in Altus. He wrestled in high school and as a student at Claremore Junior College.

But he was simply trying to help out when his efforts resulted in the current program in Barnsdall. Only a few families were wrestling when severe weather one winter prevented them from attending out-of-town practices. At the request of some of those parents, John taught a few practice sessions. The next year parents asked him to coach their sons at home. John ran an ad in the local newspaper to see how many young boys might be interested in learning the sport.

"About 35 to 40 youngsters showed up," he says. "And that number has remained pretty constant for over 30 years now."



John laughs when he says he's now coaching the sons of some of his former students, and evidence of how many boys that is and what accomplished wrestlers many of them became, can be found on the walls of their practice room. Painted on the walls are the names and years his wrestlers won a variety of honors. At one end of the room, beginning just below the ceiling and descending down the wall, is a lengthy list of his students who are State champions; while at the other end are the champions' photos, plaques and trophies. Some have gone on to wrestle for junior colleges and four-year universities such as wrestling powerhouse, Oklahoma State.

While the accolades belong to the young wrestlers, the reward belongs to John. "There is a special kind of reward that comes from working with kids, especially at this age. They are enthusiastic and eager to learn," he says.

"Wrestling in Oklahoma is like a family,



Chloe and Robyn Richardson and Misty Ragle

## PROFILE Robyn Richardson Friend of Education

Being a friend to education is a family affair for Robyn Richardson.

Robyn and her husband John Edd were active, supportive parents when their three children were in school. They were home-room parents, they often prepared treat bags for the kids' classmates and sports teams, along with supplying treats for class holiday celebrations. Robyn even cooked a turkey for one first grade Thanksgiving celebration. Their kids were tutors and mentors to other younger students. Today, their daughter-in-law is a para-professional and their grandchildren attend school in Collinsville.

However, the desire to help and remain involved didn't graduate when the Richardson kids did.

Today Robyn and John Edd provide supplies such as notebooks, paper, pencils, and Crayons to Wilson Elementary First Grade teacher Misty Ragle. Robyn keeps an eye out for sales throughout the year and buys everything from disinfectant wipes to supplies to treats, and then gives them to Ms. Ragle for her students. They have boxes of supplies in their garage to share with Ms. Ragle's classes when they are needed.

"We make sure there are additional supplies at the beginning of the (school) year," says Robyn. "But we try to help all year long. There is such a need for these things."

and this has become my second family," he says.

For young boys and their parents in Barnsdall, Coach John is a beloved member of the family.

## Statement of NON-DISCRIMINATION

Verdigris Valley Electric Cooperative, Incorporated is the recipient of Federal financial assistance from the Rural Development Utilities Programs, an agency of the United States Department of Agriculture, and is subject to the provision of Title VI of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, as amended, the Americans with Disabilities Act, and the rules and regulations of the United States Department of Agriculture, which provide that no person in the United States on the basis of race, color, national origin, age, disability or handicap shall be excluded from participation in, admission to, access to, denied the benefits of, or otherwise be subjected to discrimination under any of this organization's programs or activities.

The person responsible for coordinating this organization's non-discrimination compliance efforts is Clyde Willard, director of finance. Any individual, or specific class of individuals, who feels this organization has subjected them to discrimination may obtain further information about the statutes and regulations listed above from and/or file a written complaint with this organization; or the Secretary, United States Department of Agriculture, Washington, D.C. 20250; or the Administrator, Rural Development Utilities Programs, Washington, D.C. 20250. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.

## Official Notice

### 2011 Annual Meeting of Members Verdigris Valley Electric Cooperative, Inc.

The Annual Meeting of Members of Verdigris Valley Electric Cooperative, Incorporated will be held Saturday, October 15, 2011 at the Bartlesville Community Center, Bartlesville, Oklahoma. If a quorum is present, action will be taken on the following matters:

1. Reading of Minutes
2. Reports of Officers, Trustees and Committees
3. All other business which may properly come before the meeting or any adjournment thereof.

Dated this 8th day of September 2011.



Charles Huerter  
Secretary, VVEC Board of Trustees

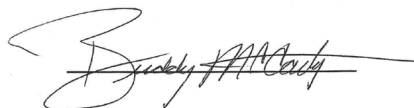
## Minutes

### VVEC 2010 Annual Meeting of Members Saturday, October 23, 2010

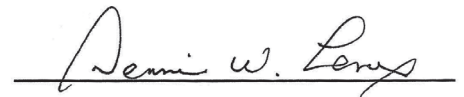
The 72nd Annual Meeting of Members of Verdigris Valley Electric Cooperative, Incorporated was held at the Bartlesville Community Center, Bartlesville, Oklahoma, on the 23rd day of October 2010, at 11:00 a.m. after due and proper notice to the members as required by the bylaws of the Cooperative.

Ms. Alice Houston, General Manager, announced there was not a quorum of members registered for the meeting and no official business could be conducted. The number of members required for a quorum was 1,290. There were 260 members present.

Approved:



Buddy McCarty  
President, VVEC Board of Trustees



Dennis Lenox  
Secretary, VVEC Board of Trustees

## PROFILE



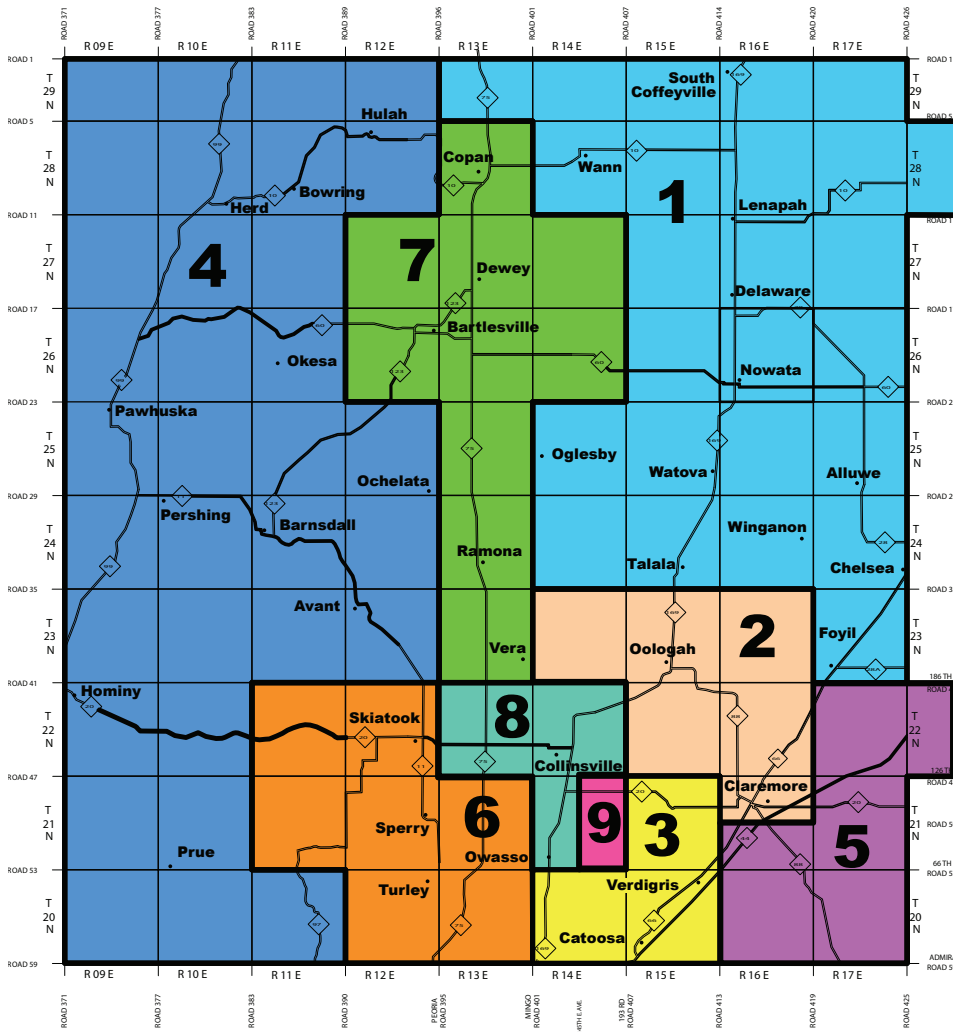
**Jane Van Sickle**  
Animal Lover/Volunteer

To some people, they are just animals. But to Jane Van Sickle, they are friends.

Jane, an administrative secretary at VVEC, volunteers at the Owasso Animal Shelter where she cares for lost and abandoned animals looking for a friendly face. "I feed, clean, pet and pamper," she laughs.

She has been an animal lover, and animal advocate, most

# VVEC Service Area & Board Districts



## Board of Trustees



**District 1**  
Jim Brackett  
720-4531

**District 2**  
Jack Bogart  
371-9587



**District 3**  
Vernon Lewis  
341-5225

**District 4**  
John Hibdon  
847-2320



**District 5**  
Jimmy Lambert  
760-7029

**District 6**  
Dennis Lenox  
396-1574

VVEC bylaws provide for trustee elections following the annual meeting in a period no sooner than 14 days after the meeting and no later than 30 days. District meetings will be held in November for districts 1, 3 and 5, as indicated on the above map. Any member residing in these districts and meeting qualifications stipulated in the bylaws is eligible to seek election to the board.



**District 7**  
Chuck Huerter  
333-3107

**District 8**  
Ken Howard  
371-4833

**District 9**  
Buddy McCarty  
272-5134  
or 272-5364

**Alice Houston**  
General Manager

**Stephen Riley**  
Corporate Counsel

of her life, saying she made pets out of cats, dogs, pigs, cattle, sheep, and chickens while growing up. While a resident of Mississippi she was a charter member of the local chapter of the Humane Society, and she worked at the animal shelter. She operated the shelter, cared for the animals, exercised and played with them, vaccinated them and worked closely with local veterinarians in obtaining needed medical treatment.

No matter where she lives, she knows there are animal care facilities that are always in need of volunteers. At the Owasso shelter, she works during the weekends giving the animal control officer some time off. It's a labor of love for Jane, who currently has three dogs of her own at home.

"I'm here because I want to be. I like to help those who can't help themselves."

# Consolidated Balance Sheet

## WHAT WE OWN

### Assets

|  |               |              |
|--|---------------|--------------|
| Electric Plant                                     | \$122,934,363 |              |
| Less Depreciation                                  | 35,284,472    | \$87,649,891 |
| Cash & Cash Equivalents                            |               | 2,258,619    |
| Investments  |               | 19,095,478   |
| Accounts Receivable                                |               | 8,182,137    |
| Materials & Supplies                               |               | 779,379      |
| Prepayment, Other Accrued Assets & Deferred Debits |               | 1,431,184    |

**TOTAL \$119,396,688**

## WHAT WE OWE

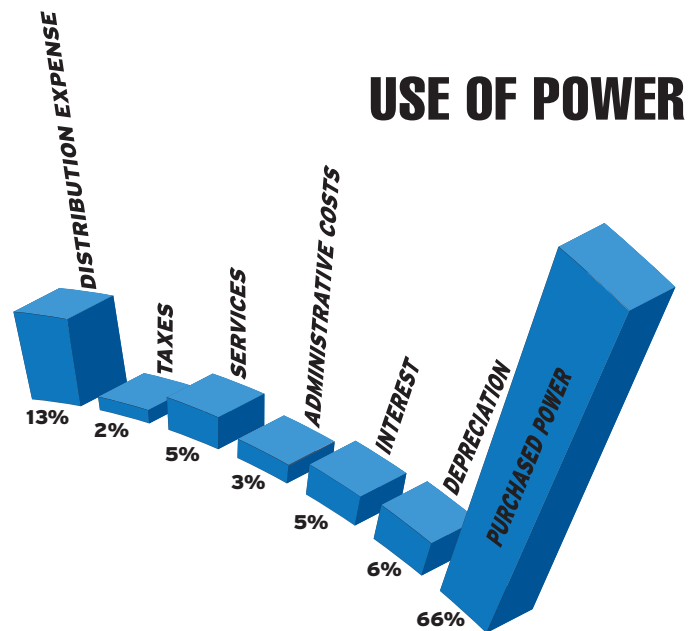
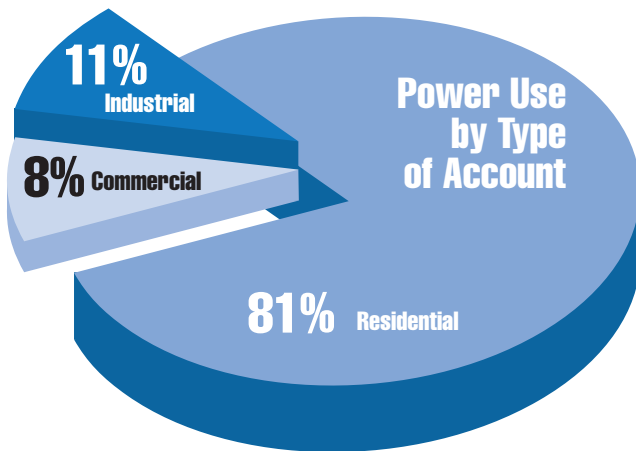
### Liabilities

|                   |  |              |
|-------------------|--|--------------|
| Line of Credit    |  | -0-          |
| Long Term Debt    |  | \$65,186,627 |
| Consumer Deposits |  | 3,139,528    |
| Accounts Payable  |  | 4,013,643    |
| Deferred Credits  |  | 12,800       |
| Other Liabilities |  | 1,771,780    |

## EQUITIES

|                                   |  |            |
|-----------------------------------|--|------------|
| Membership Fees                   |  | 820,510    |
| Patronage Capital, Other Equities |  | 44,451,800 |

**TOTAL \$119,396,688**



## PROFILE



Chaz and Chub Brewer

## Chub Brewer

Cowboy

VVEC's Member Services Representative Chub Brewer is a cowboy at heart. Like most cowboys, he lends a hand where he can, expecting nothing in return. He genuinely likes people and cheerfully helps out members and employees alike.

His sincere desire to help is probably what saved the life of a two-year-old who had wandered away from her family's camp site two years ago.

Hearing about the search for the little girl, Chub was moved to do what

# Comparative Statistics Of Operation

## WHAT WE RECEIVED

|   |              |              |
|---|--------------|--------------|
| Operating Revenue and Patronage Capital | 2009         | 2010         |
|   | \$56,698,375 | \$59,277,689 |

### Expenses

|   |            |            |
|---|------------|------------|
| Cost of Purchased Power                 | 36,186,693 | 37,512,400 |
| Distribution Expense - Operations       | 1,778,023  | 1,724,361  |
| Maintenance Expense                     | 5,462,625  | 5,535,729  |
| Consumer Accounts Expense               | 2,054,106  | 2,153,519  |
| Customer Service & Information Expenses | 305,718    | 265,790    |
| Administration & General Expenses       | 2,251,305  | 2,147,518  |
| Depreciation & Amortization             | 3,528,533  | 3,678,283  |
| Taxes                                   | 1,093,304  | 1,148,804  |
| Interest Expenses - Long Term Debt      | 3,187,416  | 2,980,805  |
| Other Interest & Deductions             | 133,416    | 92,617     |

## HOW IT WAS SPENT

|                                       |                     |                     |
|---------------------------------------|---------------------|---------------------|
| <b>Total Cost of Electric Service</b> | <b>\$55,981,139</b> | <b>\$57,239,826</b> |
|---------------------------------------|---------------------|---------------------|

### Our Margins

|   |           |           |
|---|-----------|-----------|
| Operating Margins & Patronage Capital       | 717,236   | 2,037,863 |
| Non-Operating Margins                       | 483,436   | 402,624   |
| Other Capital Credits & Patronage Dividends | 3,477,461 | 2,445,103 |
| Extraordinary Item                          | - 0 -     | - 0 -     |

## WHAT WE HAVE LEFT

|  |                    |                    |
|--|--------------------|--------------------|
| <b>Total Operating &amp; Non-Operating Margins</b> | <b>\$4,678,133</b> | <b>\$4,885,590</b> |
|--|--------------------|--------------------|

The books and financial statements of Verdigris Valley Electric Cooperative, Inc. are audited each year as of December 31. An audit for the year ended December 31, 2010 has been completed by the firm of Briscoe, Burke, & Grigsby, LLP, Certified Public Accountants, Tulsa, Oklahoma.

**Charles Huerter,**  
Secretary-Treasurer  
VVEC Board of Trustees

## Consolidated Cooperative Summary of 2010

|                                    |                  |                   |
|------------------------------------|------------------|-------------------|
|                                    | 2010             | 2009              |
| Number of Meters                   | 34,615           | 34,391            |
| Peak Demand (kW)                   | 185,696          | 171,813           |
| Date and Time of Peak              | 08/14/2010@ 6 pm | 07/12/2009 @ 6 pm |
| Total Energy Sales (kWh)           | 655,461,621      | 606,422,388       |
| Total Asset Value                  | 119,396,688      | 114,188,163       |
| New Plant                          | 5,769,070        | 6,744,234         |
| Total Revenues                     | 59,277,689       | 56,698,375        |
| Operating Margins                  | 2,037,863        | 717,236           |
| Total Taxes Paid                   | 1,148,804        | 1,093,304         |
| Long-Term Debt as Percent of Plant | 51.20%           | 49.10%            |
| Times Interest Earned Ratio (TIER) | 2.64             | 2.47              |

he could. He told his supervisor he felt he needed to help, called his then 16-year-old son Chaz and told him to saddle their horses, and they joined the search.

Although there were almost 100 people involved in the search including various law enforcement agents searching on the ground, in the air and in the water, it was Chub and Chaz on horseback who found the toddler.

Once they returned the child to her parents, Chaz loaded the horses and took them home, and Chub came back to work. In true cowboy fashion, they were both a little baffled and embarrassed by the media coverage that followed.

To Chub it wasn't that big a deal. He knew he could help, so he did. Then he got back on his horse and went about his business. That's what cowboys do.

## Organizations Must Present OFFICIAL REGISTRATION FORM

In order to be included in the Annual Meeting quorum count and to be eligible to vote, all commercial accounts, schools, churches, public buildings, and towns holding a membership with Verdigris Valley Electric Cooperative, must present an ORGANIZATION CERTIFICATE. Such organizations are encouraged to use the accompanying registration form.

This form indicates the bearer to be the official voting representative of the organization. The form must be completed in full and presented by the bearer at the time of registration at Annual Meeting.

## Organization Certificate

BE IT RESOLVED THAT \_\_\_\_\_ (Person's name typed or written in ink) who is a member or officer of said organization, is hereby designated the official representative by

\_\_\_\_\_  
(Name of organization)

to vote at the Annual Meeting of Members of Verdigris Valley Electric Cooperative, Inc., to be held October 15, 2011 and any adjournments thereof held within thirty (30) days of said date, on all matters which at said meeting of members may properly come before them; to action of said representative and all that he or she may do in this behalf is hereby ratified and confirmed as the act of

\_\_\_\_\_  
(Name of organization)

\_\_\_\_\_  
(President)

(Corporate Seal)

\_\_\_\_\_  
(Secretary)

## ANNUAL MEETING

SCHEDULE OF EVENTS

**Saturday, October 15, 2011**  
**Bartlesville Community Center**  
**300 Southeast Adams Blvd.**

**9:00 a.m.**

Member Registration  
Coffee and Donuts  
Registration gifts -  
VVEC step stool & a VVEC cap

**9:00 - 10:45**

Live Entertainment  
Paul Bogart

**10:30 - 12:00**

Free Hot Dogs, Chips  
and Soft Drinks

**11:00**

Registration Closes  
Business Session Opens  
Prize Drawings  
Adjourn

### PROFILE

## Ronn Badertscher

Oklahoma Firefighters  
Burn Camp

For five days each summer Ronn Badertscher works with some very beautiful people. He serves as a counselor at the Oklahoma Firefighters Burn Camp.

Held at Dry Gulch, USA, northeast of Pryor, the camp is aimed at young people who have suffered any type of a variety of debilitating physical injuries. Kids from 5 to 16 years old enjoy arts and crafts, horse-back riding, swimming, bumper cars, movies, Karaoke, fishing on Lake Hudson, and a trip to a nearby wild animal sanctuary.

Ronn, VVEC's meter tester and a volunteer fire fighter with the Collinsville Rural Fire Department, has been a burn camp counselor for nine of the camp's 12 years. The camp has one counselor for each camper, and Ronn also works with the junior counselors.

"These people are very inspirational people," he says. "They fight their disabilities everyday. Burn Camp gives them the opportunity to be themselves. Here, no one looks



*"Beauty is how you feel inside, and it reflects in your eyes. It is not something physical."*

Sophia Loren



at them like they're any different; they're just normal kids."

Ronn feels he benefits from the camp too. "Working with these kids makes me count my own blessings."

Seeing their inner beauty reflected in his eyes makes him a friend as well as a counselor.