And There Was Light:
A History of Guadalupe Valley Electric Cooperative
1963-1988

THESIS

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Karen A. Yancy

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in honor

of my

parents

Sherwood and Carolyn Yancy

Contents

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A personal debt of gratitude is extended to Miss Kathleen Nichols and to Mrs. Margaret Nichols for the hours spent in transcribing numerous oral interviews.

Karen Yancy

March 1, 1988

Foreward

I am of the ranks, now fast fading, of citizens who grew up on farms and ranches B. E.--Before Electricity. As such, my enthusiasm over its advent remains undiminished even a half-century later. And as a history buff, I applaud any and all efforts to record the remarkable story of rural electrification in America.

One cannot overstate the importance of this truly unique program which both figuratively and literally brought the countryside out of the darkness into the light. It launched the greening of America in the finest expression of that term, vastly increasing agricultural productivity and in thousands of ways easing and enriching the lives of rural dwellers--yes, and urbanites as well.

Surely it behooves us to look backwards occasionally, if only to help us understand and appreciate how far we have come--and why.

So, I submit it is indeed fortunate and fitting that the Guadalupe Valley Electric Cooperative will in 1988 duly observe the completion of fifty years of dynamic growth and, over all, exceptional service. A

particularly appropriate part of such a celebration is this timely publication of the Cooperative's history. It has been well-researched and ably and interestingly written--and for this we salute Miss Karen Yancy, the author.

Having lived in Gonzales, the Cooperative's home base during all except the very earliest of its years, and having labored for almost a decade in the rural electric vineyards at the state level, I feel completely competent and confident in stating that GVEC is one of the absolute best in the state and the nation. That this is not my assessment alone can be affirmed by many, including persons highly-placed in the utilities establishment, but here I shall simply ask that you note this publication's many references to prestigious awards, citations, and other recognitions bespeaking meritorious service and performance. I'm certain there are few other electric cooperatives which have been so highly and so consistently honored.

It is my perception, fully supported in these accounts, that the key to this Cooperative's unique success has been, in large measure, its strong commitment to superlative member services. A vital tenet of the cooperative management concept, namely

that the system is both owned and operated by the members has found a bountiful expression at GVEC. Here the "voice of the people" has been heard--and the end result has been a substantial accomplishment of the co-op's basic mission: "dependable and affordable" power. Moreover, as this story reveals, this Cooperative in countless other ways has served substantially as Good Neighbor and Worthy Citizen.

Credit for this grand success story, therefore, goes to the consumer-members; to the dedicated directors they have seen fit to elect from amongst their peers; to the remarkably compentent administrators and the closely-knit family of fine employees who kept the power surging, often under stressful circumstances; and, finally, to our elected officials, past and present, who in their wisdom perceived a special vision and turned it into a vibrant and vital asset for all.

Happy Golden Anniversary, GVEC, and may the Next Fifty be as grand!

Walter H. Richter

February 25, 1988

Introduction

When President Franklin D. Roosevelt signed the executive order which established the Rural Electrification Administration (REA) on May 11, 1935, he began a social revolution. Approximately "nine out of ten American farms had no electricity."[1] Men and women, who laboriously toiled from sunrise to dusk on the farms, at night by the light of kerosene lamps enviously looked at pictures of electric washing machines, refrigerators, and other labor-saving appliances available to their urban cousins. In order to wash clothes on a farm, a woman had first to carry a large quantity of water from a well and then heat the water in a cast-iron washpot over fire. She was then ready to begin washing. In order to wash clothes, however, the farm wife had to scrub the articles clean on a washboard and then rinse them individually. With the advent of electricity, she could perform other chores while the electric washing machine was operating. Also, refrigeration permitted better methods of perserving foods longer. Electrical appliances also created more leisure time for the farm

family to read and to listen to the radio. With the establishment of the REA, dreams became reality.

In 1935, the federal government undertook a gigantic project with the establishment of the Rural Electrification Administration. The government did what private enterprise could not or would not do by bringing electricity to rural areas. Investor-owned utilities (IOU's) supplied electricity to some rural areas but only at a tremendous cost. It was not financially feasible to provide electric service to geographically remote areas according to the IOU's. By the end of the 1987 fiscal year, REA had approved, over a span of fifty-two years, $19.9 billion in direct and insured loans to electric cooperatives. Without the intervention of the federal government, electricity might not have reached rural areas. For example, few of the rural dwellers in third-world countries today have electricity. Their governments either have not or cannot step into this void as the United States government did in the early twentieth century.

While the creation of Rural Electrification Administration had profound effects on rural life, there has not been a corresponding interest in assessing the historic significance of the natonal, regional, or local impact of the rural electrification movement. For example, there are only four broad

analyses of the REA and the rural cooperative movement. Clyde Ellis, the first general manager of the National Rural Electric Cooperative Association, in his book, A Giant Step, has examined the rural electric program, as a whole. His book, published in 1966, reviews the early history of the Rural Electrification Administration. Harry Slattery's Rural America Lights Up, which was published in 1940, discusses the rural electrification movement from 1910 to 1940, Jerry Voorhis' American Cooperatives: Where They Come From . . . What They Do . . .Where They are Going, published in 1961, is a general history of electric co-ops.[2] The Next Greatest Thing, edited by Richard A. Pence, is a popular history which was published in 1984 to celebrate REA's fiftieth anniversary.[3] Biographical works on Franklin D. Roosevelt;[4] Sam Rayburn, sponsor of the Rural Electrification Act of 1936;[5] and Lyndon B. Johnson[6] also discuss the original rural electrification movement, but treat REA as part of the New Deal legislative reforms. Because the Rural Electrification Administration became a part of the governmental bureaucracy their political biographers showed little interest in the practical developments after the program was initiated.

Some state studies also have appeared. For instance, the rural electric co-op movement has been

examined in the states of Montana, Louisiana, Illinois, Nevada, Kansas, Wisconsin, Pennsylvania, and South Dakota. A few individual cooperatives have also been examined; however, these studies have seldom been published.[7] One exception is Let There Be Light: A History of Guadalupe Valley Electric Cooperative by Allen H. Chessher. The fact that this book, published in 1964,[8] is one of the few local studies that exists makes GVEC an ideal cooperative to examine. Also, Guadalupe Valley Electric Cooperative was the first cooperative in the nation to become independent of the Rural Electrification Administration.

This case study of GVEC, in a broad context, discusses REA's struggle to establish and to finance rural electric cooperatives. The book also reveals the Co-op's operations, changes, and some of the future opportunities which rural electric cooperatives can attain.

Notes

[1]William E. Leuchtenburg, Franklin D. Roosevelt and the New Deal, 1932-1940 (New York: Harper and Row, 1963), p. 157, (hereafter cited as New Deal).

[2]Victoria Koepsel Breidenbach, "Rural Electrification in Texas: Bartlett Electric Cooperative, A Case Study' (M. A. Thesis, Southwest Texas State University, 1980), p. 4-5, (hereafter cited as "Bartlett Electric Cooperative").

[3]Richard A. Pence, editor, The Next Greatest Thing (Washington DC: National Rural Electric Cooperative Association, 1984), p. 6.

[4]Leuchtenburg, New Deal.

[5]D. B. Hardeman and Donald C. Bacon, Rayburn: A Biography (Austin: Texas Monthly Press, 1987).

[6]Merle Miller, Lyndon: An Oral Biography (New York: Ballantinie Books, 1980).

[7]Breindenbach, "Bartlett Electric Cooperative," p. 3-4.

[8]Allen H. Chessher, Let There Be Light: A History of Guadalupe Valley Electric Cooperative (San Antonio: Naylor Company, 1964).

Chapter I

The First Twenty-Five Years

Electricity for rural areas became a reality when President Franklin D. Roosevelt created the Rural Electrification Administration (REA) by executive order[1] on May 11, 1935[2]. This agency was formed for a period of one year as an "emergency relief agency under the Emergency Relief Appropriations Act." The Norris-Rayburn Act later established the Rural Electrification Administration as an independent agency, and this piece of legislation also allowed the REA to loan money to corporations, persons, states, subdivisions, territories, agencies, municipalities, utility districts, and cooperatives which were non-profit, or limited dividend associations.[3] This act marked the beginning of the cooperative movement across the nation.

In the state, the Bartlett Community Light and Power Company at Bartlett, Texas, and the Bellfalls Light and Power Company at Bellfalls, Texas, organized to take advantage of the funding available through the Rural Electrification Administration; and, in the years 1935 and 1936, these companies received money to construct the first rural electric power lines in

Texas. The Texas cooperative movement was further aided by the passage of the Electric Cooperative Act by the Texas Legislature in 1937. This legislation allowed any three individuals to organize an electric cooperative by requesting a state charter and paying a ten dollar fee. The cooperative had to be non-profit, and it was "exempted from all excise taxes except an annual fee of $10.00."[4] This act, along with assistance from the REA, National Grange, and a group of hard-working individuals, resulted in the establishment of Guadalupe Valley Electric Cooperative (GVEC).

The National Grange, which played an important role in the creation of GVEC, was founded by Oliver H. Kelley in 1867. While the Grange was orginally a social organization for farmers and ranchers, it became more politically oriented as time passed. In particular, the members advocated governmental regulation of the railroads and established cooperative stores and warehouses.[5] Also, the National Grange adopted rural electrification as a major goal of the organization. Local Granges provided brochures on the Rural Electrification Administration to many Texas ranchers and farmers who were interested in obtaining electricity. For the first time rural dwellers were provided with an alternative to the high prices charged

by investor-owned utilities.[6] After receiving rural electrification literature, members of the first Texas chapter of the Grange, which was formed in Cost, on January 25, 1935,[7] began a lengthy process resulting in the formation of GVEC which would provide dependable and affordable electricity.

While investor-owned utilites, such as Central Power and Light at Corpus Christi, furnished electricity to rural areas, it was at an inflated rate. For example, when Milton D. Lindemann, president of the first GVEC board of directors, tried to provide electrical service to his home in Cost, he was told it would cost him $1,000. Lindemann already had elctricity in his store and only wanted to have the service line extended approximately twenty-two hundred feet to his house. In addition, Central Power and Light demanded that Mr. Lindemann buy a refrigerator, electric range, and water heater for his home. R. B. Williams, vice president of the first GVEC Board of Directors, also tried to obtain electricity for his farm which was located between the communities of Nixon and Leesville in Gonzales County. Central Power and Light would build a line, approximately five hundred yards in length, to his home for $500.[9] Due to these prohibitive costs, farmers depended on delco plants, coal oil lamps, Coleman gasoline lamps, and carbide

plants for light.[10] Because of this situation, a group of men in Gonzales County took the initiative to form the Guadalupe Valley Electric Cooperative which would not only provide electricity to the rural areas but it would do so at the "lowest cost consistent with sound economy and good management."

On October 14, 1938, men from eight communities in Gonzales County met to make preparations to apply for a loan from the Rural Electrification Administration to erect approximately one hundred miles of electrical line. Additional meetings were held to get interested individuals to join. An individual could become a member by paying a five dollar membership fee and agreeing to pay for all the electricity he used.[11] Securing a commitment was a difficult task, since the economy was terrible and a large portion of the people were afraid rural electricity was only a dream.[12] Gradually, however, people did join, and on December 2, 1938, Guadalupe Valley Electric Cooperative was formed at Cost, Texas. At this December meeting, the members adopted the bylaws of Guadalupe Valley Electric Cooperative and chose a Board of Directors to oversee the operation of the Cooperative. These charter board members were Theodore Siepmann of Monthalia, Charles C. Deschner of Bebe, George W. Turk of Dreyer, J. C. Pruett of

Schoolland, Emil C. Prochnow of Converse, and Arthur H. Boening of Converse. Officers were president, Milton D. Lindemann of Cost; vice president, R. B. Williams of Nixon; and secretary-treasurer, H. C. Gillette of Wrightsboro.[13]

E. A. Hassman was named project coordinator by the Board of Directors on December 19, 1938, and was in charge of guiding Guadalupe Valley Electric Cooperative through its formative years. Mr. Hassman was hired on an "expense account basis" because the Cooperative did not have any money besides the membership fees.[14] These fees could not be used to pay any expenses because the Directors had promised to return the five dollar membership fee if they failed to establish an electric cooperative.[15]

Guadalupe Valley Electric Cooperative did not pay for distribution line easements; compensation was given for constructing transmission lines. One method by which investor-owned utilites (IOU's) attempted to destroy cooperatives was by pressuring landowners not to sell right-of-ways for transmission lines. GVEC dealt with this problem by exercising its power of eminent domain to gain the necessary land for transmission lines. This action was usually unnecessary in gaining easements for distribution lines. Normally, the members gladly gave GVEC these

rights in order to obtain electricity. In respect for this conveyance, the Cooperative tried not to harm the farmer's land.[16]

Guadalupe Valley Electric Cooperative received a loan from the Rural Electrification Administration in the amount of $166,000 on April 5, 1939, to erect its first electric line. Construction began in May, 1938 on the line, which was to provide electricity to approximately 140 members in the Bebe and Monthalia areas; on January 14, 1940, the line was energized.[17] This was only the beginning of a different way of life. With the advent of electricity, rural people could have refrigerators, radios, electric irons, and various household appliances.[18] The people, who had been skeptical about the feasibility of providing electricity to rural areas, now wanted to become members of the Guadalupe Valley Electric Cooperative, and the people who had electricity continually found new ways to use it.[19] Representatives of the Co-op reported that 225 miles of electrical line had been built and that GVEC was furnishing electricity to 360 consumers for primarily residential use at the Cooperative's first annual meeting in March 1940.[20] These patrons paid approximately $2.50 a month[21] for using twenty-six kilowatts of electricity.

After 1940, management decided to hold the annual meeting in June to give more consumers the opportunity to attend and to express their opinions on actions taken by the Guadalupe Valley Electric Cooperative Board of Directors. This is done by the patrons voting on basic corporate improvements and by electing the Board of Directors.[22] Each director represents one of the nine district areas which constitutes the service area of GVEC. Prior to the annual meeting, members in district areas nominate individuals for director. Any member residing in the district may nominate an individual for director. If more than one individual has been nominated as director, the members residing in that district will vote by secret ballot on the nominees. The two individuals receiving the highest number of votes will be the official nominees of the district. If only one person is nominated, voting may be by show of hands. The nominee must receive a majority of the votes. If he does not, the meeting is opened for further nominations. At the annual meeting, the members, as a whole, elect by secret ballot from the official nominees the directors.[23] To qualify, a director must reside in the Guadalupe Valley Electric Cooperative service area and may not be associated with a competing business or an establishment that distributes its

product to GVEC. Also, a board member can not be affiliated with a business that sells either plumbing or electrical supplies, and he can not be a candidate for a political position which pays a salary.

In the beginning, board members were chosen every year, but in May, 1954 the bylaws of the Cooperative were altered so that only three of the nine directorships were to be selected every year, since a complete turnover of the Board could possibly harm the Cooperative.[24] After their election, the board members would meet every month and hold special meetings, if necessary. To facilitate the business of the Cooperative, an executive committee of the Board of Directors was created in 1956, to work with the general manager on problems that warrant the Board's immediate action. Steps taken by the executive committee subsequently have to be approved by the entire Board of Directors. For their efforts, the Directors are compensated by a per diem and a mileage allowance; on the whole, however, the Directors' services are donated to the Cooperative.[25]

Guadalupe Valley Electric Cooperative experienced a tremendous rate of growth during its early years. This can be illustrated, in part, by its expansion into Bexar County. In order to expand into Bexar County, the Cooperative submitted an application

for a permit to construct electric lines across county roads to the Bexar County Commissioners Court in July 1938. Commissioner Robert F. Uhr sent the application to the district attorney for a legal opinion. Finally, after a delay of nine days, the application was approved by the County Commissioners, and GVEC extended its operation into Bexar County.[26] The expansion of Guadalupe Valley Electric Cooperative can also be seen in the construction of a electric line in the southwestern portion of Lavaca County and in the Waelder area in northern Gonzales County. This line was to be 225 miles long and to serve approximately 460 members. While the Cooperative was erecting this line, it planned for expansion elsewhere. The arrival of World War II, however, created a shortage in the materials needed to build electric lines, and the Co-op's Board of Directors decided temporarily to delay any further construction.[27] The Cooperative did continue to hold membership drives in the area, and during the summer of 1945, this effort was actually accelerated. The City Public Service Board of San Antonio had obtained the properties of the San Antonio Public Service Company and was planning to expand into the same area as Guadalupe Valley Electric Cooperative. Upon learning this, E. A. Hassman, general manager of GVEC, was authorized by the Board of Directors to hire

the additional personnel necessary to secure the area,[28] and in August 1945, the Cooperative applied for a loan of $370,000 from the Rural Electrification Administration to construct approximately 350 miles of electrical line to serve four hundred new members.[29]

In 1946, the Board of Directors decided to move the headquarters of Guadalupe Valley Electric Cooperative to Gonzales. The Cooperative had outgrown the small building in Cost that had served as its office since 1938, and, with the urging of the Rural Electrification Administration,[30] a warehouse was purchased for $49,000 in Gonzales to serve as the new headquarters.[31] This building, located at 928 St. Paul Street,[32] was approximately 100 feet wide and about 300 feet long.[33] During this time, Mr. O. W. Davis was hired as coordinator of construction and engineering by the Board of Directors.[34] Mr. Davis had worked for the engineering firm in Bartlett, Texas, which helped the community organize the first electric cooperative in the state, and he had also managed an electric cooperative at Rusk, Texas. In April, 1952, Mr. Davis was appointed the General Manager of Guadalupe Valley Electric Cooperative following the death of Mr. E. A. Hassman.[35]

During Mr. O. W. Davis' tenure as manager of GVEC, the Cooperative experienced its only strike. On

February 4, 1955, the linemen of GVEC, with the urging of the International Board of Electric Workers (IBEW), secured control of the garage and warehouse and refused to return to work unless the manager, assistant manager, and the line superintendent were fired. The executive committee of the Board of Directors met for an emergency session[36] in which they interviewed the striking employees. Upon concluding the interviews, the executive committee decided to support the management's decision to fire all of the striking employees. Only two of these men were ever rehired by GVEC. Except for this incident, the management of the Cooperative has had a positive relationship with their employees.

Guadalupe Valley Electric Cooperative was also concerned with the relationship they had with the public. In an effort to combat the negative image created by IOU's[37] the Cooperative organized a public relations department in the early 1950's.[38] In 1953, the Board of Directors authorized a budget of $350 for the new department, but this amount was increased when Guadalupe Valley Electric Cooperative, along with several other cooperatives, hired the public relations firm of Frazer, Wiggins, Collins, and Steakley of San Antonio to help create a positive image for the cooperatives with the public. In this effort, the

Co-op submitted articles to newspapers in the GVEC service area on various activities of the Cooperative, and supported the trading post radio program on KCTI of Gonzales in 1957. Also, the Cooperative began publication of a monthly periodical entitled the GVEC Information Bulletin.[39] In recognition of the Cooperative's efforts to enhance their relations with the members, GVEC received first place in the Power Use and Public Relations Contest which was conducted by the National Electrical Manufacturers Association at the 1959 Annual Meeting of the National Rural Electric Cooperative Association (NRECA).[40]

During the period 1947 to 1962, Guadalupe Valley Electric Cooperative obtained several distribution lines with the intent of gaining area coverage. The Cooperative also sold some of its electric lines to communities when a city extended and incorporated part of GVEC's distribution system.[41] In 1948, Guadalupe Valley Electric Cooperative opened a district office in Seguin,[42] and on April 30, the Cooperative finalized an agreement which resulted in the Cooperative gaining approximately sixteen hundred members and 230 miles of electric lines from the City Public Service Board of San Antonio. In this transaction, Guadalupe Valley Electric Cooperative's service was increased to include the rural communities of Cibolo, Fentress, Geronimo,

McQueeney, Marion, Kingsbury, Prairie Lea, Schertz, Zuehl, Zorn, and Schumanville.[43] In 1949, GVEC purchased the distribution system in Cost, Texas, from Central Power and Light Company, and the Cooperative sold the distribution systems at Prairie Lea and Fentress to the Lower Colorado River Authority (LCRA) in October, 1949. Guadalupe Valley Electric Cooperative sold the distribution lines west of Sequin to that city in 1950, and in September 1958, the Cooperative transferred the lines in the addition of Krueger to the city of New Braunfels. Finally, in 1960, the Co-op extended electrical service to the Oak Forest community in Gonzales County.[44]

In 1948, the Board of Directors of Guadalupe Valley Electric Cooperative initiated a program whereby the excess payments of members for electricity would be refunded as required by Texas law. This program, called the Capital Credit Plan, was created with the purpose of notifying members of their capital credits or excess payments, and allowing the Directors to retire these credits as they wished. However, at no time could the capital credits be liquidated unless the capital after retirement equaled 40 percent of the total assets of the Cooperative. These guidelines were changed in 1955, "to allow the Board of Directors to retire capital credits in excess of 20 percent of the

total assets on hand." Also in 1955, the Board of Directors retired the first capital credits. This rebate amounted to $82,784.76 and was made to consumers who were members of the Cooperative during the period 1941-1947. Additional patronage refunds were made from 1947 to 1954.[45]

During this time, Guadalupe Valley Electric Cooperative had grown from a mere idea to a thriving business due to the leadership of Mr. E. A. Hassman and Mr. O. W. Davis. These two men set the high standards of customer satisfaction that the Cooperative would seek to follow in the years after 1972. The Co-op would increase its role in the community in order to serve better the members by establishing many other services including an appliance repair shop and an insulation service. The Cooperative also constructed a new headquarters building in Gonzales for the same reason, and would continue with a conservative expansion program which would result in the Co-op's gaining of area coverage and would enable GVEC to continue upgrading its distribution system.

Endnotes

[1]Allen Howell Chessher, "Guadalupe Valley Electric Cooperative, Inc: A History of a Small Business Enterprise" (M. A. Thesis, The University of Texas, 1963), p. 24 (hereafter cited as Chessher, "GVEC").

[2]GVEC Review, January 1977.

[3]Chessher, "GVEC," p. 24.

[4]Ibid., pp. 27-28.

[5]Richard N. Current et al., American History: A Survey, 7th ed. (New York: Alfred A. Knopf, 1987), pp. 556-557.

[6]Chessher, "GVEC," pp. 28-30.

[7]GVEC Review, May 1977.

[8]Chessher, "GVEC," pp. 31-36 passim.

[9]Minutes of the Board of Directors, meeting of 2 December 1938, quoted in Chessher, "GVEC", p. 31.

[10]Interview with Theodore Siepmann, Charter Board Member of Guadalupe Valley Electric Cooperative, Cost, Texas, 7 October 1986 (hereafter cited as Siepmann interview).

[11]Chessher, "GVEC," pp. 30-31.

[12]Siepmann interview.

[13]Chessher, "GVEC," pp. 31-32.

[14]Ibid., pl. 32.

[15]Siepmann interview.

[16]Interview with O. W. Davis, former General Manager of Guadalupe Valley Electric Cooperative, 7 October 1986 (hereafter cited as Davis interview).

[17]GVEC Review, June 1979.

[18]Siepmann interview.

[19]GVEC Review, May 1977.

[20]Chessher, "GVEC," p. 34.

[21]Siepmann interview.

[22]Chessher, "GVEC," pp. 64-65.

[23]Guadalupe Valley Electric Cooperative, Inc., Bylaws, p9-10 This is a pamphlet, and I'm not sure how to cite it.

[24]Chessher, "GVEC," p. 68.

[25]Ibid., p. 69.

[26]Ibid., p. 38-39.

[27]Ibid., p. 40.

[28]Ibid., pp. 40-41.

[29]Ibid., p. 41.

[30]Ibid., p. 70.

[31]Davis interview.

[32]Chessher, "GVEC," p. 70.

[33]Davis interview.

[34]Chessher, "GVEC," p. 73.

[35]Davis interview.

[36]Chessher, "GVEC," p. 82.

[37]Davis interview.

[38]Chessher, "GVEC," p. 74.

[39]Ibid., pp. 75-76.

[40]GVEC Information Bulletin, April 1967 (hereafter cited as Bulletin).

[41]Ibid., p. 45.

[42]GVEC Review, June 1979.

[43]Chessher, "GVEC," p. 50.

[44]Ibid., pp. 51-52.

[45]Ibid., p. 60.

Chapter II

Electric Service

Guadalupe Valley Electric Cooperative had been established to provide rural citizens with dependable electricity at a reasonable cost. The Cooperative had done this by initiating a conservative expansion program and in the process had provided members with a high level of service. In order to uphold this standard of excellence as the GVEC membership grew, the Cooperative had to expand services, facilities, and maintenance programs.

By 1964, GVEC had grown too large for the building on St. Paul Street in Gonzales. The Cooperative purchased twenty-one acres of land beside Highway 90A from Mrs. Scheske for $21,000.[1] GVEC then hired Brooks and Barr, an architectural firm in Austin, to draw plans for the new building. Later, the Co-op accepted D. W. Marshall Construction Company's bid of $433,333[2] to construct the new headquarters which would have two floors with approximately thirty-two thousand square feet of floor space.[3] Schwabe and Mikes Paving Company's bid of $20,000 for all of the site work was also accepted.[4] Work quickly progressed, and the employees moved into the new building on June 1, 1965.

All went well in the new building until 1978, when dwindling office space prompted the Cooperative to remodel the lobby. This plan also allowed the receptionist and cashier to assist each other.[5] Additional space was still required by other departments so the Cooperative hired architect Eugene McKee, who recommended erecting a new building for the Gonzales Line Department and the Line Material and Technical Services Department. The Engineering Department and the Member Services Department could then be located on the lower floor of the main building.[6] Before the new construction could begin, however, it was necessary to stabilize the current buildings[7] by relieving soil pressure on the foundation and retaining wall.[8]

In December, 1979, the Board approved plans for the construction of resale and garage areas, as well as a new warehouse, for approximately $1,120,000.[9] Management also decided to move the meter and radio shop and the apparatus shop into the warehouse. Bids were let on March 3, 1981, after REA had approved final plans for the warehouse.[10] After considering the bids, the Cooperative decided to accept the one submitted by Guyler Construction Company of Lampasas, Texas.[11]

Upon completion of the warehouse, management began discussing renovation of the lower floor of the

existing headquarters[12] for the member services division, engineering division, and the control center of the load management program.[13] After receiving approval from the Rural Electrification Administration to remodel the lower floor,[14] GVEC accepted a bid from Alamo Lumber Company of Seguin, Texas for $185,992.[15] Renovation of the headquarters building continued in 1985, with the construction of more management offices.[16] For this last phase of the renovation, the Board accepted a bid of $29,473 from Kyle V. Crozier, a general contractor. The remodeling of the headquarters building was finally completed in February, 1986.[17]

The headquarters building in Gonzales was not the only new construction that Guadalupe Valley Electric Cooperative undertook. As the number of consumers continued to grow, it was evident that an area office was needed at Schertz so the Cooperative purchased a lot from Elgin Beck.[18] Plans were drawn for an office which was to include a lineman's room, display area, and a meeting room,[19] and in October, 1967, Friesenhaln Brothers of Converse, Texas, agreed to build the office for $33,354.[20] Construction was completed during the following summer, and the Co-op held an open house on July 28, 1968.[21]

The district office in Seguin also was remodeled at this time. During 1968, the Board approved

expenditures of approximately $7,400 to improve the warehouse and storage yard at the Seguin office.[22] As the number of members continued to increase, the Cooperative authorized the renovation of the Seguin and the Schertz offices in 1972.[23] By July, 1973, the remodeling had been completed at a cost of approximately $50,000.[24]

By 1975, management decided to enlarge the Seguin warehouse. Instead of constructing an addition to the present warehouse, the Board decided to purchase 4.97 acres adjacent to the Seguin facilities. This property had two buildings[25] which could house the line material department.[26] Tremendous growth in the Seguin area necessitated the construction of additional warehouse space in 1982. For this project, the Board approved expenditures of approximately $45,029.[27]

Management also was constantly upgrading the transmission and distribution system to improve service reliability and to reduce the cost of wholesale power. In 1964, the Board approved a bid of $492,403 by R. S. Goodman Company to erect one hundred miles of a sixty-nine thousand volt transmission line.[28] This project would also necessitate the construction of five new substations to be located near Shiner, Cost, Hallettsville, Nixon, and Seguin.[29] By May, 1965, the

new transmission line was completed, and the substations were energized.[30]

As Guadalupe Valley Electric Cooperative continued to grow, more substations were required. In October, 1970, management reported that the Geronimo Substation was under construction.[31] Increasing electrical loads resulted in the the Cooperative expanding the McQueeney Substation in 1973[32] to accommodate a twenty-eight thousand volt transformer. When completed, this transformer was the largest device on the GVEC electric system.[33]

A long-range system study in 1973, indicated that GVEC needed to erect a 138,000 volt line from the Seguin Substation to Structural Metals (SMI).[34] This would be the first 138,000 volt line of the GVEC system.[35] On February 19, 1975, the bids were opened in Lubbock, Texas, for the SMI transmission line[36] which was to be energized on April 25, 1975.[37] Over the next ten years, Guadalupe Valley Electric Cooperative continued to upgrade its electrical system by increasing substation capacity, building new substations, and erecting new transmission lines.

This construction was jointly financed by the Cooperative's consumers, by the Rural Electrification Administration, and by the National Rural Utilities Cooperative Finance Corporation (CFC). As of

September, 1965, the Cooperative's debt was approximately $9,429,151, and the organization raised its debt limit from $10,000,000 to $20,000,000 to receive approval from the REA for another loan. Guadalupe Valley Electric Cooperative wanted to obtain a loan of $2,168,438 from the Rural Electrification Administration for electric system improvements.[38] To receive the loan, GVEC had to raise the debt limit to $25,000,000.[39] The Co-op did get the funding and used the money to construct 170 miles of distribution lines, to erect two new substations, and to make other system improvements.

The financial structure of the Rural Electrification Administration was also changing during this time period. A 1965 National Rural Electric Cooperative Association financial study indicated that the 2 percent loans would be retained for cooperatives who could not afford higher interest rates, but cooperatives who could pay higher interest rates were charged higher prices by the government and were to receive part of their financing from the private money sector. This latter requirement would necessitate the establishment of a bank for the rural electric cooperatives. This step was a reaction to the reluctance of Congress to allocate sufficient funds for the rural electric program.[40] A private bank could be

established under existing legislation. This avoided Congressional restrictions but resulted in higher interest rates. Also, cooperatives had to place their reserve funds in the bank.[41]

At a NRECA long range finance committee meeting in Dallas on January 29, 1969, members proposed that a bank be incorporated under the existing law in the District of Columbia and that the institution be governed by twenty-five directors. Initial capital funds were to be supplied by the rural electric cooperatives in proportion to their assets and revenues. For the bank to be feasible, 75 percent of the cooperatives had to join.[42] Additional regulations were established at the National Rural Utilities Cooperative Finance Corporation meeting in Dallas on July 29, 1970. Cooperative representatives decided that REA approval was not needed to deposit general funds with the CFC and that the cooperatives were to elect a twenty-two member board at the 1971 NRECA annual meeting in Dallas. Until that time, the incorporators of the National Rural Utilities Cooperative Finance Corporation functioned as the board.[43] On July 28, 1970, Guadalupe Valley Electric Cooperative paid $116,708 on its CFC subscription agreement.[44]

On January 3, 1972, the Cooperative applied for a one-year loan of $1,000,000 from the Rural Electrification Administration and the National Rural Utilities Cooperative Finance Corporation to construct sixty-eight miles of distribution line and to make other system improvements. The REA financed 80 percent of the loan, and the CFC provided the remaining 20 percent.[45] Approval for this first jointly sponsored GVEC loan was received April 14.[46] The REA continued to finance 80 percent of each Co-op loan until June 28, 1977. On this date, a resolution was passed which stated that the Rural Electrification Administration would finance only 70 percent of each loan. The remaining funds were received from the Cooperative Finance Corporation.[47]

The United States Department of Agriculture had already announced that effective January 1, 1973, the REA direct loan program was terminated. All future Rural Electrification Administration loans were on a insured or guaranteed basis. The Rural Development Act of 1972 also raised the interest rate on REA loans from 2 percent to 5 percent.[48] The REA program was further changed in the 1980s when legislation was passed which allowed REA borrowers to purchase their debt at a discounted value. The Rural Electrification Administration also agreed to use the Cooperative

Finance Corporation's long-term interest rate to calculate the discounted value of a cooperative's REA debt. This meant that GVEC's debt of $25,751,089 as of October, 1981, had a discounted value of $17,651,117.[49]

The continual changes in the Rural Electrification Administration's loan program and the uncertainty over the availability of future funds resulted in GVEC refinancing its debt. Procedures to refinance the Cooperative debt began in early 1985, but it was not until December 30, 1986, that Guadalupe Valley Electric Cooperative finalized the transaction and became the first rural electric cooperative in the nation to become independent of REA. Through monies made available by the CFC, the Cooperative bought its REA debt of $25,559,327 at a discounted rate of $17,876,146.[50]

Refinancing the Guadalupe Valley Electric Cooperative debt meant that the Cooperative was no longer regulated by the Rural Electrification Administration. This allowed GVEC more freedom. The Co-op could now move into other utility areas such as garbage, sewage, or satellite television.[51] Why would Guadalupe Valley Electric Cooperative be interested in providing these services? Melvin Strey, director, stated that "if it involves the utilities area, I think that GVEC needs to be involved to make sure that

members receive not only electric service but all the other utilities that go with it, too."[52]

The management of Guadalupe Valley Electric Cooperative has not as of May, 1988, lowered its high standard of quality by discontinuing its association with the Rural Electrification Administration. The Cooperative continues to operate as if the system were still financed by the REA even though the governmental regulations were now absent. The management has continued to research and implement necessary improvements to the electric system in order to provide members with electrical service. The Co-op also used the same work methods, forms, and billing procedures,[53] but the significant change was that GVEC could now expand and address all of the consumers' needs.

Guadalupe Valley Electric Cooperative continued to be primarily interested in providing adequate service to members. Sometimes city officials made it difficult for the Co-op to meet the needs of consumers residing in a given town inside the city limits. In the mid-1960s, the city of Schertz offered GVEC a franchise to provide electricity to the citizens. The franchise, however, was not favorable to the Cooperative. Because of the rapid rate of growth in the area, the Co-op had to increase its plant capacity. The franchise offered by Schertz did not take this into

consideration.[54] Further negotiations resulted in the city renewing its offer to purchase the electrical system from the Cooperative,[55] but the GVEC system was not for sale.[56] The city officials then called for an election on May 28, 1966, "to authorize issuance of $400,000 revenue bonds for the purpose of purchasing the electric system or constructing one to serve the city." [57] Management reacted by sending a letter to Schertz Co-op members informing them of the Cooperative's position.[58] Voters rejected the city's proposal at the polls,[59] but the city continued to deny GVEC a franchise. After extensive negotiations over the following years, a franchise ordinance and street lighting agreement was[60] granted in November, 1972, for twenty-five years that was beneficial to GVEC members and city officials.[61]

Similar agreements were reached with the cities of LaVernia[62] and Marion, whereby the Cooperative supplied members with electricity and furnished street lighting at no extra cost to the cities.[63] Upon request by city residents, Guadalupe Valley Electric Cooperative acquired LaVernia from the Floresville Light and Power Company[64] in November, 1968.[65] A fifteen-year operating franchise and street lighting agreement was accepted by the Cooperative for the city of Marion in 1969.[66] Franchises also were granted in

the early 1970s. In March, 1973, a twenty-five-year operating franchise for the city of Cibolo was accepted by the Board of Directors.[67] An agreement was also reached with the town of New Berlin in September, 1976.[68]

To provide adequate service to LaVernia, Marion, New Berlin, and other towns, the Guadalupe Valley Electric Cooperative needed to keep the transmission lines clear of brush. In May, 1964, the Board of Directors accepted a bid by V. H. Skaggs of Junction, Texas, to clear the rights-of-way.[69] Later, the Cooperative purchased a four-wheel drive truck to patrol and inspect the distribution and transmission lines itself.[70] Since the brush caused electrical outages, GVEC decided to purchase a Brushmaster Shredder-Mower in 1972, to clear rights-of-way.[71] This equipment could cut a strip seventy-eight inches wide and shred trees up to five inches in diameter.[72] The Co-op increased its effort to keep the power lines free of brush by purchasing in 1976, a wood chipper for approximately $16,500. This piece of equipment shredded the limbs cut in clearing the rights-of-way, thereby eliminating the time and expense involved in hauling the limbs off members' properties.[73] In 1977, management decided to attack the brush problem by spraying a herbicide onto the trees.[74] While this

treatment proved effective in some areas, it was ineffective in other sections of the service area.[75]

Guadalupe Valley Electric Cooperative continued to attack the brush control problem in the 1980s. The Co-op purchased a Kershaw brush shredding machine, which cut a ten-foot strip, in 1982.[76] The Board authorized the purchase of a tractor and shredder-mower and[77] a Kershaw Klipper in 1986.[78] In order to reduce line loss and outage time, the Cooperative has attacked the brush problem from every angle. The Co-op crews now have the equipment necessary to clear the rights-of-way. According to Lewis Eckols, manager of the electric operations division, this intense effort to eliminate the problems created by brush has resulted in GVEC having "one of the most outstanding right-of-way programs of any co-op in the nation."[79] The program also has been responsible in part for the Cooperative having one of the lowest outage rates in the United States. In 1986, GVEC's average outage time was 1.2 hours per member, and the national average was between three and four hours per member.[80]

Another maintenance program was pole inspection. At a Texas Electric Cooperative (TEC) meeting on March 18, 1971, a new inspection method was demonstrated. Representatives of the Heath Utility Services of Michigan conducted a sonic test on an electric pole,

and if the pole showed signs of decay, an x-ray was made. An analysis of the tests and a copy of the inspector's recommendation of whether the pole should be treated or replaced was forwarded to the cooperative. The test was approximately 90 percent accurate, and the estimated cost was $3 per pole. GVEC contracted to have one thousand poles inspected by the Heath Company.[81] Of the poles tested in the GVEC service area, 5.7 percent needed to be replaced. This was slightly higher than the national average.[82] Following completion of this pilot program, the Guadalupe Valley Electric Cooperative Board of Directors authorized Heath Utility Services to test another ten thousand poles.[83] Of those poles tested, approximately 4.6 percent needed to be replaced immediately.[84]

One reason for the defective poles was the holes caused by woodpeckers. In July, 1977, Guadalupe Valley Electric Cooperative along with Wharton County, South Texas, San Bernard, Fayette, and Bluebonnet electric cooperatives entered into an agreement with the Southwest Research Institute of San Antonio for a study on the control of woodpeckers in relation to transmission lines.[85] The estimated damage done by woodpeckers to poles in a single year varies from $75,000 to $100,000.[86]

Scientists at the Southwest Research Institute tested various chemical repellents for their effectiveness. The repellents would not harm the woodpeckers or any other wildlife, but, at the same time, the chemical could be easily applied to the poles. The most effective repellent was an industrial chemical labeled ST-138. This discovery led to Wharton County, San Bernard, Bluebonnet, Fayette, South Texas, Karnes, and Guadalupe Valley Electric Cooperatives forming WPR Company, "an electric co-op joint venture to license the use of the repellent from Southwest Research Institute."[87]

Another concern of Guadalupe Valley Electric Cooperative was meters. In April, 1979, the Co-op began a meter reading and inspection program[88] which involved checking all meters, meter loops, and meter sockets on the distribution system. This program was initiated in response to incorrect readings, malfunctioning meters, and increased meter tampering. As the cost of electricity rose, it became increasingly necessary to rectify these problems.[89] Under the guidelines of this program, employees periodically read all the meters on the system to verify the accuracy of data GVEC had received and to insure that the meter was operating correctly. The Cooperative also initiated

another program whereby every meter was replaced on a cyclical basis.[90]

Accurate meter readings were emphasized by the Cooperative to insure correct billing. Over the years, GVEC has changed its billing procedure to accommodate members. In 1966, the Board authorized a transition from two billings periods per month to one.[91] To reduce expenses, the Co-op began mailing bills on postal cards and quit sending return envelopes to members. The new type of bill also reduced the amount of computer time involved in printing monthly statements.[92] To help members, the Cooperative initiated a level payment program in 1983. To be eligible, members had to have residential accounts. Members also continued to report their meter readings. Members pay for their average usage unless the bill deviates from the level payment by 5 percent. If the bill does, the Co-op recalculates the monthly amount paid by members. This average figure paid by members was computed by adding the previous thirteen months bills and dividing the total by twelve.[93] Cyclical billing was implemented in November, 1986, to ease the pressure on the post office and the GVEC clerical staff. The Cooperative now has four billing cycles which means that the Co-op mails approximately one-fourth of its bills every Monday.[94]

Another billing program which was initiated by Guadalupe Valley Electric Cooperative was the "Zero Delinquency Award Plan" (Z-DAP). Over the years, the Cooperative had tried to rectify the delinquent bill problem by increasing the service charge on such accounts from 2[95] to 10 percent[96] and by increasing member deposits.[97] These methods proved inadequate so the Board approved Z-DAP in hopes of solving the delinquent bill problem in February, 1985. Basically, the plan was a cash incentive program for people to pay their bills on time. At the annual meeting, those members, who had not had a delinquent bill in the past year, were eligible for a cash drawing. The GVEC staff estimated that this program would decrease delinquencies by 20 percent.[98]

Billing problems were one reason why the Guadalupe Valley Electric Cooperative staff began work on what was the first rate increase in the history of the Cooperative in 1973. The major reason, however, for the higher costs was a 31 percent increase in the cost of power purchased from the Lower Colorado River Authority. After the Board approved the new rate changes in May, 1974, the proposal was presented to the REA and to the city councils in the GVEC service area.[99] After receiving their approval the new rates were made effective August 1, 1974.[100]

The next rate increase came in 1977, and GVEC had to gain the approval of the Public Utilities Commission (PUC) before the new rate became effective.[101] The PUC was established in September, 1975,[102] and was granted jurisdiction over rates, services, and operations of utilities by the Texas legislature. The Commission was composed of three members appointed by the Governor and approved by the Senate. Each member served a six-year term.[103] "In essence [PUC] is nothing but a buffer between the consumer and the utility,"[104] according to Doyle Hines, general manager of GVEC.

Over the next decade, the Texas Public Utilities Commission approved four rate increases for Guadalupe Valley Electric Cooperative. As mentioned earlier, the Co-op raised rates in 1977 as the cost of wholesale energy continued to increase.[105] In order to maintain a stable financial position, the Cooperative had to raise its rates again on January 1, 1983,[106] and on December 31, 1985.[107]

Guadalupe Valley Electric Cooperative did not only collect money, but the management also refunded money with the patronage refund program. Under the regulations of this program, members' capital credits were refunded as required by Texas law. In 1965, the Board authorized the return of $97,500 to consumers who

received electricity from the Co-op in 1956.[108] This was the eleventh consecutive patronage refund the Cooperative had made.[109] The remaining capital credited to members' accounts for 1956, was returned in 1966.[110] The Co-op made additional refunds in 1967[111] and 1968.[112]

In 1969, the Board deferred the patronage refund because of the uncertain future financial demands on the Cooperative. One reason was the change in REA guidelines that had resulted in the development of the CFC. The amount of money GVEC was required to deposit with the CFC in order to receive full benefits of the cooperative bank did not permit the Board to authorize patronage refunds for 1969.[113]

The Guadalupe Valley Electric Cooperative Board continued to defer the payment of patronage refunds throughout the 1970s. The Co-op began refunding capital credits again in 1980, when the Directors approved the payment of $147,000 to members having service through 1979.[114] Another patronage refund was authorized in 1983, for all capital credits through December 1982.[115] Additional payments were made in 1984,[116] 1985,[117] and 1986.[118]

Since the formation of Guadalupe Valley Electric Cooperative, the Lower Colorado River Authority had supplied the GVEC members with electricity. The LCRA

was chartered in 1934, to conserve and develop the Colorado River, to furnish environmental and hydroelectric services, and to provide flood control.[119] To fulfill this goal, LCRA began work on the Fayette Power Project to provide their consumers with more capacity in the 1970s. This power plant also provided customers with a "generated fuel mix"[120] that had not been available previously. These new generators used coal. The completion of this project stabilized the electrical requirements in the LCRA service area.[121]

Another wholesale supplier of electricity for Guadalupe Valley Electric Cooperative has been the Guadalupe-Blanco River Authority (GBRA). GBRA was created in 1935 by the Texas legislature to protect, develop, and conserve the Guadalupe and Blanco Rivers.[122] On January 1, 1980, GVEC entered into a twenty-year contract with GBRA under[123] which the Authority sold all hydroelectric power produced to Guadalupe Valley Electric Cooperative. This new source of electricity could provide as much as 12 percent of the Cooperative's electrical needs.[124]

Over the years, Guadalupe Valley Electric Cooperative has provided members with dependable electricity by upgrading substations and the distribution system. The management also started a

right-of-way clearance program which has contributed to the Cooperative having the lowest outage rates per member in the nation. Approval for a meter inspection program was given to insure accurate billing. These and other programs were implemented to provide members with quality service at the lowest possible cost.

To provide the membership with electricity and to maintain their standard of excellence, the directors and management of Guadalupe Valley Electric Cooperative had to expand facilities, services, and programs. For example, the Cooperative implemented new billing, electrical and pole inspection, and right-of-way clearance programs. Also, the Co-op built a new headquarters building, area office, and remodeled the district office. In the process, management realized that the consumers had additional demands which were not being meet by area busiessmen, so the Cooperative began to develop and expand its community and member services.

Endnotes

[1]Davis interview.

[2]Guadalupe Valley Electric Cooperative, Minutes of the Board of Directors, meeting of 28 January 1964. (Typewritten.) (Hereafter cited as GVEC Minutes.)

[3]Bulletin, March 1964.

[4]GVEC Minutes, 28, January 1964.

[5]Ibid., 24 January 1978.

[6]Ibid., 23 January 1979.

[7]Ibid., 27 February 1979.

[8]Ibid., 26 June 1979.

[9]Ibid., 27 December 1979.

[10]Ibid., 3 February 1981.

[11]Ibid., 24 March 1981.

[12]Ibid., 28 September 1982.

[13]Ibid., 28 June 1983.

[14]Ibid., 31 January 1984.

[15]Ibid., 28 February 1984.

[16]Ibid., 27 August 1985.

[17]Ibid., 22 October 1985.

[18]Ibid., 25 April 1967.

[19]Bulletin, August, 1967.

[20]GVEC Minutes, 24 October 1967.

[21]Bulletin, July 1968.

[22]GVEC Minutes, 25 June 1968.

[23]Bulletin, September 1972.

[24]GVEC Minutes, 24 July 1973.

[25]Ibid., 25 February 1975.

[26]Ibid., 23 September 1975.

[27]Ibid., 27 April 1982.

[28]Bulletin, October 1964

[29]Ibid., August 1964.

[30]Ibid., May 1965.

[31]Ibid., October 1970.

[32]GVEC Minutes, 22 May 1973.

[33]Bulletin, September 1973.

[34]GVEC Minutes, 25 September 1973.

[35]GVEC Review, May 1975.

[36]GVEC Minutes, 25 February 1975.

[37]Ibid., 25 March 1975.

[38]Ibid., 28 September 1965.

[39]Ibid., 22 February 1966.

[40]Ibid., 28 September 1965.

[41]Ibid., 24 September 1968.

[42]Ibid., 25 February 1969.

[43]Ibid., 25 August 1970.

[44]Ibid., 28 July 1970.

[45]Bulletin, March 1972.

[46]Ibid., May 1972.

[47]GVEC Minutes, 26 July 1977.

[48]Bulletin, February 1973.

[49]GVEC Minutes, 21 October 1981.

[50]GVEC Review, February 1987.

[51]Interview with Milton D. Hines, General Manager of Guadalupe Valley Electric Cooperative, Gonzales, Texas, 28 May 1987 (hereafter cited as Hines interview).

[52]Interview with Melvin Strey, Director of Guadalupe Valley Electric Cooperative, LaVernia, Texas, 24 July 1987 (hereafter cited as Strey interview).

[53]GVEC Review, February 1987.

[54]GVEC Minutes, 24 August 1965.

[55]Ibid., 22 March 1966.

[56]Bulletin, May 1966.

[57]GVEC Minutes, 24 May 1966.

[58]Ibid., 28 June 1966.

[59]Bulletin, July 1966.

[60]GVEC Minutes, 28 November 1972.

[61]Bulletin, January 1973.

[62]GVEC Minutes, 26 November 1968.

[63]Ibid., 25 February 1969.

[64]Ibid., 23 July 1968.

[65]Ibid., 26 November 1968.

[66]Bulletin, May 1969.

[67]GVEC Minutes, 27 March 1973.

[68]GVEC Review, November 1976.

[69]GVEC Minutes, 26 May 1964.

[70]Bulletin, February 1968.

[71]GVEC Minutes, 26 September 1972.

[72]Bulletin, May 1973.

[73]GVEC Minutes, 25 May 1976.

[74]Ibid., 26 April 1977.

[75]Ibid., 28 June 1977.

[76]GVEC Review, May 1982.

[77]Ibid., May 1986.

[78]GVEC Minutes, 25 November 1986.

[79]Interview with Lewis Eckols, Manager of Electric Operations Division of Guadalupe Valley

Electric Cooperative, Gonzales, Texas, 11 March 1987 (hereafter cited as Eckols interview).

[80]Ibid.

[81]GVEC Minutes, 23 March 1971.

[82]Ibid., 24 August 1971.

[83]Bulletin, November 1971.

[84]Ibid., March 1972.

[85]GVEC Minutes, 26 July 1977.

[86]GVEC Review, September 1978.

[87]Ibid., November 1983.

[88]Ibid., March 1980.

[89]Ibid., May 1979.

[90]Interview with Steve Slaughter, Manager of Electric Systems Division of Guadalupe Valley Electric Cooperative, Gonzales, Texas, 11 March 1987 (hereafter cited as Slaughter interview).

[91]GVEC Minutes, 25 January 1966.

[92]GVEC Review, October 1975.

[93]GVEC Minutes, 22 February 1983.

[94]Interview with Leon Netardus, Manager of Business Division of Guadalupe Valley Electric Cooperative, Gonzales, Texas, 20 February 1987 (hereafter cited as Netardus interview).

[95]GVEC Minutes, 15 October 1974.

[96]GVEC Review, April 1981.

[97]Ibid., April 1980.

[98]GVEC Minutes, 26 February 1985.

[99]Ibid., 28 May 1974.

[100]Bulletin, August 1974.

[101]GVEC Review, January 1981.

[102]Ibid., September 1975.

[103]Ibid., July 1975.

[104]Hines interview.

[105]GVEC Review, January 1981.

[106]Ibid., December 1982.

[107]Ibid., December 1985.

[108]Bulletin, September 1965.

[109]Ibid., December 1965.

[110]GVEC Minutes, 26 July 1966.

[111]Ibid., 25 July 1967.

[112]Ibid., 23 July 1967.

[113]Ibid., 22 April 1969.

[114]GVEC Review, July 1980.

[115]GVEC Minutes, 22 March 1983.

[116]GVEC Review, December 1984.

[117]GVEC Minutes, 26 March 1985.

[118]Ibid., 25 March 1986.

[119]John Williams, The Story of the Lower Colorado River Authority: A 50th Anniversary Retrospective (LCRA, n.d.), pp. 1-11 passim.

[120]Hines interview.

[121]Ibid.

[122]GBRA folder

[123]GVEC Review, January 1981.

[124]Ibid., December 1979.

Chapter III

Member and Consumer Services

When the Guadalupe Valley Electric Cooperative was organized in 1938, the directors realized that the Cooperative had a commitment that went beyond furnishing dependable and affordable electricity. The Co-op, as a "citizen" of the community, was obligated to support and stimulate area development by providing job opportunities. Further, the Cooperative should supply goods and services, currently unavailable in the area, and support programs which were beneficial to the members.[1] In an effort to achieve this GVEC developed a public relations program and eventually became a regional leader in this field.

Another reason for developing the member services division was to counter the attacks by public utilities on the Guadalupe Valley Electric Cooperative. These utilities had not realized the potential revenue and power the rural areas possessed prior to the formation of electric cooperatives.[2] The two principal public utilities which sold electricity in the planned service area of GVEC were Central Power and Light Company of Corpus Christi and the San Antonio Public Service Company in Bexar County. Although less than

3 percent of Central Power and Light's consumers and 2 percent of San Antonio Public Service's purchasers lived in the rural areas,[3] the companies did not want a rural electric cooperative built. In an attempt to destroy GVEC, these public utilities attacked the Cooperative's image. To enhance their relations with members and the area, Guadalupe Valley Electric Cooperative began offering programs such as youth tours to Washington, D.C.[4]

In November, 1964, the Board of Directors decided to sponsor a Texas Electric Cooperative program entitled, "Government in Action Youth Tour." This provided a young man and young woman, from participating Texas electric cooperatives, the opportunity to visit Washington, D.C.[5] In order to qualify, contestants had to be high school juniors,[6] not immediately related to the directors or employees of GVEC. After researching, writing, and delivering a presentation on a topic selected by Guadalupe Valley Electric Cooperative, a woman and a man were chosen from each area high school. These finalists then competed in a Co-op wide contest to determine the winners.[7] Contestants were judged also on their poise, appearance, personality, speaking ability,[8] and knowledge of the topic.[9]

Guadalupe Valley Electric Cooperative has also supported young adults by helping area 4-H Clubs and Future Farmers of America. The Cooperative has presented programs for the members of these organizations and has promoted the accomplishments of these groups in the GVEC Information Bulletin and in The GVEC Review. In 1972, the directors of the Co-op approved a contribution of $1,500 over a three year period for the construction of a state 4-H Club Center.[10]

In addition, the Cooperative served youth by placing appliances in area schools. In 1966, electric ranges, washers, dryers, and freezers were placed in the Home Economics Departments of Moulton, Waelder,[11] and in Sequin high schools to allow the students an opportunity to learn how to operate the appliances correctly. Distributors and manufacturers supplied the items at below wholesale prices, and the appliances were loaned to the schools for a two-year period after which the Cooperative replaced the items and sold the used appliances to members.[12] Over the years the Cooperative supplied electric appliances to Shiner, St. Paul, LaVernia Independent, and Navarro high schools. By 1977, GVEC had installed 101 appliances in sixteen schools at a cost of $23,460. Uncertainty about the Public Utility Commission's regulations regarding this

program and maintenance problems resulted in the cancellation of the program in 1977, but GVEC allowed the schools to purchase the appliances.[13]

Guadalupe Valley Electric Cooperative also served the membership by sponsoring the "GVEC Trading Post," a radio program which was first broadcast on December 30, 1957. The Trading Post has allowed members and non-members to advertise items for sale, rent, lease, or lost at no charge. The program also has included a local calendar of events and can be heard on KCTI in Gonzales.[14] While the Trading Post provides a needed service to the community, it also keeps members informed. Announcements of Co-op activities and services can also be heard on KWED of Seguin and KRJH of Hallettsville.[15]

One of these radio broadcasts concerned "Food Fun for Juniors," a program which was approved by the Board of Directors in 1967. Texas Electric Cooperative assisted by locating and training a college home economics major in co-op principles. In return, the student conducted cooking classes for girls between the ages of six and twelve. The estimated cost for the program was $1,800.[16] In 1969, GVEC had to employ three instructors to teach 840 girls,[17] and in June, 1971, National Rural Electric Cooperative Association's Home Economist Jean Cowden visited Guadalupe Valley

Electric Cooperative to research this innovative program. The decline in the number of participants over the following years, however, resulted in the Cooperative suspending the program after 1974.

To facilitate coordination efforts of "Food Fun for Juniors" and other projects, Guadalupe Valley Electric Cooperative created a member services department on January 1, 1967. The employees in this department were to keep the members informed about Cooperative activities, to assist consumers with electrical problems, to promote power use, and finally, to educate the public about electric cooperatives and GVEC in particular.[18] The responsibilities of the department were broadened in 1969 to include all services rendered by the Cooperative beyond the meter.[19] A subsequent organizational change placed wiring inspections and the appliance service and repair shop in the member services department.[20]

This appliance service and repair shop was established in July, 1968, to provide prompt and qualified service to members.[21] Expenditures of approximately $4,940 were authorized by the Board in 1969 to construct a work area for the shop at the Cooperative's headquarters in Gonzales.[22] Operational procedures were changed in 1976, when servicemen began charging customers on an hourly basis for their

transportation costs instead of a mileage basis.[23] In 1977, the Board hired a full-time serviceman for the Seguin and Schertz areas.[4] Originally, bills could be charged, but an increasing number of delinquent accounts forced a series of policy changes. In 1975, the Cooperative offered a 10 percent discount on all cash purchases in an attempt to lower the number of unpaid accounts. This measure did not solve the problem and was discontinued after March 1, 1981. The administration also tried to reduce the number of delinquent accounts by adding an one and 1/2 percent charge on unpaid balances after thirty days. This measure also proved ineffective in reducing the number of delinquent accounts, and beginning March 1, 1981, members had to pay cash for any repairs made at the appliance shop.[25]

The member services division is not only responsible for repairing member's appliances but also for keeping consumers informed of Co-op activities. Initially, Guadalupe Valley Electric Cooperative published the GVEC Information Bulletin to keep members apprised of events. In 1974, the Board of Directors authorized the combination of the Information Bulletin with the Texas Electric Cooperative's Texas Co-op Power in order to save money and to provide members with necessary information. This new publication, The GVEC

Review, was first published in January, 1975, and has included announcements on power cost adjustments, annual reports, district meetings, and on-call schedules. The tabloid also has featured articles regarding activities of the members.[26] In 1977, The GVEC Review was expanded from four to eight pages to provide consumers with more information about the Cooperative.

This new publication included articles on the Lower Colorado River Authority, the Guadalupe-Blanco River Authority, and a column by the general manager. The periodical also expanded its coverage of Co-op programs,[27] and the Cooperative continued to urge consumer safety. GVEC periodically published articles on electrical safety[28] and urged members to check their heating[29] and cooling systems.[30] Each of these tabloids were designed to keep members better informed and to maintain an "open form of communication with the membership."[31]

To further enhance the relationship between the Cooperative and its consumers, membership committees were formed in each district in 1975. These councils have met approximately twice a year and were composed of couples residing in the district.[32] The purpose of the membership committees was to "achieve maximum support, essential to keep members fully aware and have

understanding of problems, objectives, and accomplishments" of Guadalupe Valley Electric Cooperative.

Initially, the director of each district appointed individuals to the membership committees which were composed of five men and their spouses. Directors also selected people to fill any vacancies. Also, no committee member could be appointed for more than one two-year term, but at the original organizational meeting of each committee, a drawing was held to determine the initial terms. Originally, two committee members were appointed for one year while the remaining three individuals served full two-year terms. Meetings were held during February and October; special meetings could also be called. The Cooperative provided meals or refreshments and reimbursed any travel expenses.[33]

The primary purpose of these sessions was to discuss issues facing GVEC and concerns of members. The meetings focused on "home weatherization" or on load management.[34] The Lower Colorado River Authority has also presented programs on the Fayette Power Project, a coal-fired generating plant near La Grange,[35] and on future generating plans.[36] Special meetings were held in October, 1982, to discuss the financing problem facing rural electric cooperatives.

At that time the Reagan administration had tried to eliminate funds which were available to cooperatives through the Rural Electrification Administration, and, although Congress had defeated this proposal, it had severely reduced the amount of money available.[37]

In discussing such issues with the committee members, the management realized that it was more beneficial to hold the sessions in March instead of February. The mileage allowance received by participants was also raised in 1982, and the bylaws were amended so that the Board could approve committee appointments in January.[38] The bylaws were revised again in 1984, when the initial two-year term proved to be inadequate. This period was increased to three years to allow enough time to properly educate committee members.[39]

While the member information committees were formed to keep consumers better informed on Co-op matters, Guadalupe Valley Electric Cooperative offered vocational scholarships in an effort to provide better service to their members. GVEC began awarding these scholarships in 1972, to "provide assistance and encouragement to graduating high school students who are interested in and show an aptitude for technical and vocational training."[40] During this first year, GVEC awarded fifteen scholarships in the amount of

$50.[41] By 1977, the Cooperative had increased the amount to $75 contingent on the student's enrollment at a vocational school.

These scholarship recipients were selected by a four member committee.[42] The students had to demonstrate a disposition for a vocational skill and attend an area high school. The funds were to be applied toward tuition at a business, trade, or technical school that was certified by the Texas Education Agency.[43] These scholarships were initially made available by Guadalupe Valley Electric Cooperative to assist seniors in attaining skills that would benefit area communities.[44] Dennis Filip of Gonzales was awarded one such scholarship. After graduating from high school in 1978, Filip attended Del Mar College where he studied electronics. Upon completion of his training, he opened a television repair shop, EBM Electronics, in Gonzales.[45]

Guadalupe Valley Electric Cooperative also received material rewards in recognition of its efforts to provide needed services to area communities. The Cooperative has received several awards from the National Electrical Manufacturers Association (NEMA). In 1964, GVEC secured honorable mention in a nationwide electric cooperative contest. This was the fifth consecutive year the Cooperative had been recognized in

this contest.[46] Past prizes included a first place finish in 1959, a third place award in 1960, second place in 1962, and an honorable mention in 1963. GVEC again received an honorable mention in 1965[47] and 1966.[48] The purpose of the power use contest was to stimulate power use activities. Guadalupe Valley Electric Cooperative once more received honorable mention in the power use and public relations contest in 1967.[49]

Also in 1967, GVEC won the coveted "Silver Switch" Award at the annual National Electric Farm Power Conference. This meeting was hosted by the National Farm Electrification Council to promote full utilization of electricity on farms. Guadalupe Valley Electric Cooperative's entry was a compilation of its 1966 power use program in which it demonstrated the usefulness of electricity on the farm and, in particular, in brooder houses.[50] In 1968, Guadalupe Valley Electric Cooperative won the "Silver Switch" Award and also the "Member Services Achievement" trophy in the national power use contest. GVEC is the only cooperative to win the "Silver Switch" award for two consecutive years.[51]

The 1970's proved to be just as successful for Guadalupe Valley Electric Cooperative. Management received a telegram on February 3, 1971, from the

National Rural Electric Cooperative Association stating that the Cooperative had won the national achievement award for marketing and sales development.[52] At the 1972 annual meeting of the NRECA, Guadalupe Valley Electric Cooperative received first place in the "rural areas and community development" and in the "research and electrical development" categories. The Cooperative also placed second in the "best overall system" contest,[53] but in 1974, GVEC was given the Grand Award for having the "best overall rural electric member services program in the nation" at the annual NRECA meeting. The entry was a compilation of the Co-op's activities, programs, and accomplishments during 1973. Special significance was placed on the home insulation service and the energy conservation meetings held by the Cooperative.[54]

One of the programs that Guadalupe Valley Electric Cooperative promoted during these award winning years was the all-electric home. In 1965, GVEC offered a refund of 50 percent to all members who wanted their service lines underground. This refund was to aid construction of underground service to all-electric houses.[55] The program was altered in 1967 by giving applicants $50 for installing some form of permanent electric heating, and the initial installment of electric heat pumps, which the Cooperative paid $20

per ton of capacity. This amount was not to exceed $100. Members were given two electric heaters for building or remodeling a house that met the all-electric home requirements. Also, $10 were given to individuals who were installing electric water heaters for the first time.[56] In September, 1967, the Board of Directors made most of these incentives available to GVEC employees, who did not reside in the Co-op service area.[57]

In 1968, a lower all-electric home rate was approved by the Directors. The previous rate "provided electric service during the six winter months at one cent per kilowatt hour after the first one hundred kilowatt hours," using a higher rate during the summer. Under the new policy, the winter rate was now applicable the entire year.[58] As an additional bonus, GVEC offered members up to $135 in 1971 for meeting the all-electric home requirements,[59] but in 1975 the all-electric home allowance was discontinued "to hold the line on increasing costs."

As a way of controlling costs, Guadalupe Valley Electric Cooperative encouraged members to try electric heat. Under this system spot heating was possible, which allowed individuals to heat only that portion of their home in which they lived.[60] Electric heating was also safer, using no open flames and eliminating the

fear of gas leakage. Members could purchase electric heaters from GVEC.[61] The Cooperative also offered consumers special prices on cleaning and servicing portable electric heaters to encourage members to keep the equipment operating correctly[62] as proper servicing also helped save money. Improperly serviced heaters cost owners more money. A large amount of dust inside the heater could cause it to work harder to produce heat, resulting in lost efficiency and higher bills.[63]

Is spot heating more economical? While it does not uniformly heat an entire house, spot heating can reduce heating costs. An individual could lower the temperature in the unoccupied portion of their home and by using electric heaters, heat that part of the house in which they primarily live. Also, portable electric heaters are safer. Kerosene heaters need to be properly ventilated to insure safety which reduces the probability of saving on heating costs.[64] By providing this information, GVEC illustrated its concern for the safety and welfare of its members.

As consumers became increasingly concerned with energy conservation, the Cooperative began searching for other ways to help members save money. Another reason for this action was fuel shortage in 1973. GVEC's primary wholesale power supplier, Lower Colorado River Authority purchased the natural gas necessary to

produce electricity from Coastal States Gas Producing Company. As the gas curtailment continued, LCRA began using increasing amounts of fuel oil to produce needed electricity. This resulted in the Authority terminating its wholesale power contracts. The only solution to the fuel shortage problem seemed to be conservation. To help members conserve energy, Guadalupe Valley Electric Cooperative offered an insulation service.[65] In 1974, GVEC expressed their dedication to energy conservation in a message to the REA,[66] and in 1977, the Cooperative participated in a NRECA program that made funds available to weatherize homes.[67]

Since there was not a qualified individual to install insulation in the service area, Guadalupe Valley Electric Cooperative, itself, began offering this service in June, 1973. In May, 1973, the Board of Directors had approved the purchase of a blower machine, trailer, and other insulating material for approximately $3,945. Management also decided to use available employees and transportation for installation purposes.[68] The insulation the Cooperative used was a mineral, rock wool, blow-in type that was a non-conductor of electricity, odorless, and fire resistant.[69] By August, 1976, the GVEC Ceiling Insulation Service had installed more than one million

square feet of ceiling insulation.[70] In October of that same year, the Board agreed to sell the insulation equipment to Richard Houser for $3,400. Mr. Houser could then offer his services to individuals who were not members of the Cooperative. GVEC members still had first priority, and the Cooperative still stocked insulating material and also developed a procedure for billing him material. Also, GVEC was given the first option in re-purchasing the equipment.[71]

On February 1, 1977, Guadalupe Valley Electric Cooperative expanded its energy conservation service by making available insulating storm window sashes, insulating shields, and reflecting screens. A comprehensive study on heat loss and gain had revealed that the addition of an insulated glass could reduce heating and cooling costs by 50 percent.[72] The sash was in effect a window which fit over an existing window and could be opened and closed. It also included an optional screen. The insulating shield also fits over an existing window but could not be opened.[73] Cost varied according to window size, with an overall minimum charge of $12.[74]

Who produced these storm windows? Guadalupe Valley Electric Cooperative had approached Schulenburg Industries, located at Schulenburg, Texas, about the feasibility of designing an insulating glass that fit

almost all windows. Although the company constructed storm windows primarily for the northern market, they thought that they could construct a window that met GVEC's specifications. Difficulties arose that eventually caused the Cooperative to quit ordering windows from Schulenburg Industries and to reach an agreement with Kaiserhauf of Houston. As competent dealerships were established in the service area, GVEC quit installing storm windows and insulation.[75] By September, 1982, over three million square feet of ceiling insulation had been installed by GVEC, but in November of that year, the Cooperative discontinued the insulation service although a "Do-It-Yourself" program was still available through the Co-op.[76]

Guadalupe Valley Electric Cooperative realized that members needed funds to weatherize their homes so in 1977, General Manager Doyle Hines signed a contract for a program that made money available to consumers through the Farmers' Home Administration and local electric cooperatives.[77] Initially members could borrow a maximum of $1,500 for sixty months at 9 percent interest.[78] The William F. Hodge, Jr. family of Seguin had the distinction of being the first family in the nation to apply for a loan under the new Rural Home Weatherization Program.[79] This was not the only financial option that GVEC members had in funding home

weatherization projects. Consumers could use a charge account in which payment was due the month following the completion of the job, or loans could be made by GVEC for a maximum amount of $1,000. An annual interest rate of 9 percent is charged on loans of not more than thirty-six months duration.[80]

In July, 1981, the Directors adopted "Conservation Plan 5." This was another effort on the part of REA and GVEC to make funds available to members for weatherizing. Loans were to finance the cost of adding caulking, ceiling insulation, weatherstripping, wall insulation, duct insulation, floor insulation, pipe insulation, storm windows, water heater insulation, thermal windows, clock thermostats, storm or thermal doors, and attic ventilation fans. If a member had an energy audit, financing was also available for heat pumps, water heaters, and central heating and air conditioning. Under this plan, members in a single family dwelling could borrow $3,000, whereas two to four family units could obtain $4,000. For larger apartment complexes, GVEC loaned customers $1,000 per unit. Loans in the excess of $5,000 had to receive special approval. The loans were of five years duration and bore a 5 percent rate of interest.[81]

By September, 1981, over one hundred loan applications were being processed.[82] To qualify,

members had to have lived in the house for at least one year. While the loans were primarily designed for residential use, owners of commercial buildings could also receive funds to weatherize their structures. An owner of a mobile home qualified only if there were a real estate mortgage on the mobile home or if it has been converted to a permanent dwelling.[83]

The Guadalupe Valley Board of Directors had received initial authorization of $60,000 from the Rural Electrification Administration for "Conservation Plan 5." By May, 1982, forty-seven members had received loans, but the program was scheduled to end in January, 1983. It was therefore recommended that the Board approve additional funds in the amount of $135,000.[84] This step was unnecessary when management discovered that the Co-op originally had received approval for $240,000.[85] By March, 1983, sixty-two loans had been approved for a total of approximately $91,855.[86]

To qualify for part of "Conservation Plan 5" members had to get a home energy audit. In April, 1978, Guadalupe Valley Electric Cooperative began a pilot program in the Greenfield Village subdivision of Schertz. The Home Energy Audit Program (HEAP) brought GVEC employees into homes and to conduct an inventory of major energy uses. The auditors calculated heat

gains and losses by infiltration through ceilings, floors, windows, doors, and walls. Attention also was given to how the family heated or cooled the house and their use of appliances. After completing the form, the GVEC employee provided members with recommendations to achieve greater energy efficiency.[87] The success of this pilot program led the Directors to adopt the project as a system-wide program.

One of the items that Guadalupe Valley Electric Cooperative recommended on the home energy audit was a heat pump: a central cooling and heating system. The initial cost of this item averaged 10 to 30 percent more than a conventional system, but for the same amount of electricity, the heat pump produced two to three times as much cooling or heating. The unit also automatically switched from cooling to heating according to the temperature.[88] The electric heat pump distributed solar heat throughout the home, and in summer the unit operated like a conventional air conditioner.[89]

Financial help was also available in purchasing electric heat pumps. A member could apply for a loan under the "Conservation Plan 5" program. Also, the LCRA-GVEC cooling efficiency rebate was available to consumers[90] who purchased a electric cooling unit which had an energy efficiency ratio or a seasonal energy

efficiency ratio of nine to zero or more. The unit must also have been installed on or by September 1, 1983. Members, who met the qualifications would receive $75 per ton for electric heat pumps and $50 per ton for other electric cooling equipment. Under this program, GVEC members were paid $6,048 in rebates. [91]

On March 1, 1983, Guadalupe Valley Electric Cooperative began offering a new program which helped members detect air leaks in their home. [92] On October 12, 1982, Lower Colorado River Authority energy counselors Edward Sanchez and Robbie M. Sanders demonstrated an air measuring machine in the home of GVEC member services manager John Fritz. More energy is lost through air leaks than from any other source. According to Roy L. Wilson of Foremost Energy Saver Homes in Austin, a 1580-square-foot home, with an "air-change rate of two per hour" and 8 foot ceilings, loses 606,720 cubic feet of air per day because of drafts.

All homes experience the "chimney effect," which means that inside air is exchanged for outside air. These air leaks can not be readily detected. Only during a high wind could the most serious leaks be discovered so special machines, called "Draft Detectors" or "Air Change Measuring Units" are used. These units stimulate various wind speeds which makes

it possible to detect air leaks. The machine works by attaching and sealing it to an open window. Drafts are most commonly found around doors, windows, joints and folds in air-conditioning ducts, pipes, electrical wire passages, wall-socket outlets, and electric switches. [93] In an effort to help members weatherize their homes, the Cooperative purchased a "Draft Detector" and began offering its services on March 1, 1983. GVEC charged a twenty-five dollar fee to cover the energy audit which included the use of the machine as well as the labor, one seventeen foot roll of weatherstripping, two shower flow restrictors, two convenience outlet gaskets, two wall switch plate gaskets, and two convenience outlet inserts.[94]

One item that has always been of interest to GVEC is the electric water heater. The Cooperative had sold water heaters for many years, and when members were unable to get the water heaters serviced and repaired, GVEC established an appliance service and repair shop. Another concern about water heaters was their effect on the load factor and load management. As wholesale power cost continued to increase, management realized that the Co-op needed a good load management program.

In response the Cooperative began to address the issue by educating members about peak demands. In

1982, the directors adopted the "volunteer to improve power use" program (VIP), which proved to be very beneficial. During the summer months the demand for electricity peaks on the GVEC electric system between 4:00 and 7:00 p.m., whereas during the winter, the peak is between 7:00 and 11:00 a.m. Under the VIP program, members were asked to reduce their use of electric appliances and equipment which used large quantities of electricity during these time periods. This request was primarily directed at electric water heaters and heating and cooling systems. Member response was excellent, but as wholesale power costs continued to rise, a more effective load management program was necessary.

After research and investigation, the directors approved the purchase of a supervisory control and data acquisition (SCADA) system which has allowed the Cooperative to remotely control certain electrical appliances in members' homes. Consumers were asked to allow the Co-op to install a "load control receiver" on 30-gallon or larger electric water heaters. This device would respond to a signal sent from the GVEC load management center in Gonzales by interrupting the electric service to the water heater. After a predetermined length of time, electricity was restored to the appliance. This effort was so successful that

the Cooperative added central heating and cooling units and eletric heat pumps to the program in September, 1986. The load control devices are installed at no charge and can be removed whenever the member desires.

The SCADA system involves transmitting a microwave signal from the load managment center to the various GVEC substations. At the substation the signal is received and transmitted on the electric distribution lines to the device on the member's appliance. This system has lowered the wholesale power cost by allowing the Cooperative to avoid a coincidental peak with that of the major wholesale power supplier. Also, the system has reduced the need of the wholesale supplier to construct more electric generating power plants to meet peak demand requirements.[95]

By January, 1985, 129 load-control devices had been installed,[96] and by March, 1986, 2,567 switches had been placed on electric water heaters. At this same time over 4,950 members had volunteered to have the device installed.[97] By September, 1987, approximately one-third of GVEC's members were participating in the load management program while surrounding cooperatives were still researching the possiblity.

Why does Guadalupe Valley Electric Cooperative offer these programs? GVEC's primary concern is the consumer. The management and employees of the Cooperative are dedicated to supplying dependable and affordable electricity and to providing members programs that are otherwise unavailable. For instance, the Co-op established an appliance service and repair shop because appliance service and repair was unavailable to members residing in the more remote rural areas. In fact, GVEC sold the units for the same reason. When consumers became concerned about the cost of energy, Guadalupe Valley Electric Cooperative looked for ways to help members. The Co-op offered an insulation service, storm windows and doors, home energy audits, and loan programs. GVEC promised to supply goods and services which were unavailable in the area and to support programs which were beneficial to members. In short, Guadalupe Valley Electric Cooperative has fulfilled this promise and in the process has become a regional leader in consumer services.

Endnotes

[1]Bulletin, November 1966.

[2]Davis interview.

[3]Allen H. Chessher, Let There Be Light: A History of Guadalupe Valley Electric Cooperative (San Antonio, Texas: The Naylor Company, 1964), p. 16.

[4]Davis interview.

[5]GVEC Minutes, 24 November 1964.

[6]Bulletin, February 1965.

[7]GVEC Minutes, 24 November 1964.

[8]Bulletin, February 1965.

[9]GVEC Minutes, 24 November 1964.

[10]Ibid., 25 July 1972.

[11]Bulletin, May 1966.

[12]GVEC Minutes, 23 August 1966.

[13]Ibid., 26 May 1977.

[14]GVEC Review, January 1978.

[15]Ibid., February 1986.

[16]GVEC Minutes, 24 January 1967.

[17]Bulletin, July 1969.

[18]Ibid., March 1967.

[19]GVEC Minutes, 26 August 1969.

[20]Bulletin, January 1970.

[21]Ibid., February 1972.

[22]GVEC Minutes, 24 June 1969.

[23]Ibid., 17 April 1976.

[24]GVEC Review, March 1977.

[25]Ibid., February 1981.

[26]GVEC Minutes, 26 November 1974.

[27]GVEC Review, February 1977.

[28]Bulletin, August 1966.

[29]Ibid., October 1968.

[30]Ibid., June 1966.

[31]GVEC Minutes, 22 July 1986.

[32]Ibid., 28 January 1975.

[33]Ibid., 25 March 1975.

[34]GVEC Review, December 1980.

[35]Ibid., May 1981.

[36]Ibid., December 1981.

[37]Ibid., October 1982.

[38]GVEC Minutes, 26 January 1982.

[39]Ibid., 31 January 1984.

[40]Bulletin, July 1972.

[41]GVEC Review, June 1977.

[42]Ibid., August 1978.

[43]Ibid., July 1979.

[44]Ibid., September 1979.

[45]Ibid., July 1980.

[46]Bulletin, May 1964.

[47]Ibid., April 1967.

[48]Ibid., May 1966.

[49]Ibid., April 1967.

[50]Ibid., October 1967.

[51]Ibid., April 1968.

[52]Ibid., March 1971.

[53]Ibid., April 1972.

[54]Ibid., March 1974.

[55]GVEC Minutes, 27 April 1965.

[56]Ibid., 28 February 1967.

[57]Ibid., 26 September 1967.

[58]Bulletin, January 1968.

[59]Ibid., September 1971.

[60]GVEC Review, January 1975.

[61]Bulletin, December 1964.

[62]GVEC Review, October 1976.

[63]Ibid., November 1977.

[64]Ibid., December 1982.

[65]Bulletin, July 1973.

[66]GVEC Minutes, 26 march 1974.

[67]Ibid., 29 March 1977.

[68]Ibid., 27 March 1973.

[69]Bulletin, June 1973.

[70]GVEC Review, August 1976.

[71]GVEC Minutes, 26 October 1976.

[72]GVEC Review, February 1977.

[73]Ibid., July 1977.

[74]Ibid., February 1977.

[75]Interview with John Fritz, Manager of Member Services Division of Guadalupe Valley Electric Cooperative, 20 February 1987 (hereafter cited as Fritz interview).

[76]GVEC Review, November 1982.

[77]GVEC Minutes, 29 March 1977.

[78]GVEC Review, August 1979.

[79]Ibid., May 1977.

[80]Ibid., August 1979.

[81]Ibid., July 1981.

[82]Ibid., September 1981.

[83]Ibid., January 1983.

[84]GVEC Minutes, 18 May 1982.

[85]Ibid., 22 June 1982.

[86]Ibid., 22 March 1983.

[87]GVEC Review, May 1978.

[88]Ibid., September 1981.

[89]Ibid., February 1982.

[90]Ibid., February 1984.

[91]Ibid., March 1984.

[92]Ibid., March 1983.

[93]Ibid., November 1982.

[94]Ibid., March 1983.

[95]Oral and Written Communications from Clarence Hallmark, Member Relations Advisor of Guadalupe Valley Electric Cooperative, December 9, 1987.

[96]GVEC Review, June 1985.

[97]Ibid., March 1986.

Chapter IV

GVEC "Family"

Guadalupe Valley Electric Cooperative is more than a business organization; it is a "family." This close relationship between members, directors, management, and employees is derived from an effort to achieve dependable and adequate electricity. The directors and management keep members informed about Cooperative activities, and the members appreciate it. The employees contribute by doing excellent jobs. This family relationship is the result of having a qualified board, excellent management, dedicated employees, and member support.

The enthusiasm displayed by consumers is gained by having conversations between members and the Cooperative. This is achieved, in part, by publishing the GVEC Review, which informs members of actions taken by GVEC. The member information committees also contribute to this good will by providing for lines of open communication between management and consumers. Members can also communicate their desires to management through the annual meeting, held on the fourth Friday in June.[1] The program features a

guest speaker,[2] but the primary purpose of the meeting is to elect directors, to provide reports on the previous fiscal year, and to conduct any other business as needed.

Members of the Cooperative are represented by nine directors, one from each voting district.[3] The directors are responsible for establishing policies and organizational goals[4] and for hiring a general manager to run the Cooperative. Directors also inform members of GVEC activities and answer or relay questions pertaining to the Co-op to the management.[5] In order to fulfill adequately the duties and responsibilities of this position, the directors attend seminars and workshops provided by the National Rural Electric Cooperative Association. This program also leads to NRECA management certification.[6]

While the directors do receive a per diem allowance which has increased from $50 in 1970[7] to $150 in 1986,[8] they receive personal satisfaction primarily from their commitment. The directors gain satisfaction from knowing they represent a "good electric cooperative, . . . providing a good service at the most reasonable price" possible,[9] serving the community,[10] and communication with the members.[11]

The various backgrounds of the directors have insured that the numerous interests of the members have

been represented. As in the past, most of the current men on the Board were raised in the GVEC service area and graduated from universities in the Central Texas region. Similarly, six of the nine directors have economic investments in agriculture. Two of the others are public servants in the residential districts near San Antonio. All of the directors are family men and range in age from the early forties to mid-seventies. In the past, GVEC directors have served on the Board an average of ten years. The shortest tenure was one year and the longest was forty years.[12]

G. D. Nollkamper, director for district one, has served as secretary-treasurer since 1977. Mr. Nollkamper was appointed to the board in November, 1968, to fill the unexpired term of A. F. Nollkamper, his uncle, and subsequently, was first elected to the board in 1971. G. D. Nollkamper was employed as a machinist at Kelly Field in San Antonio after graduating from Shiner Public Schools. During World War II, Mr. Nollkamper served in the U.S. Navy but moved to Seguin in 1948, where he was employed in the dairy business. He moved to Shiner two years later and established a dairy business which he operated until 1973. Mr. Nollkamper still has a cattle operation.[13]

Lewis Borgfeld has represented district two since 1973. Mr. Borgfeld was appointed to the board in

an advisory capacity in 1973 and was elected in 1974. Currently, Mr. Borgfeld serves as the president of the board of directors. He received a Bachelor of Science degree in business education from Southwest Texas State College, now Southwest Texas State University. After graduating, Mr. Borgfeld served four years in the U.S. Air Force. He was employed by the Cibolo State Bank in 1970 and now serves as its president. Mr. Borgfeld also operates a ranch in the Cibolo area.

District three is represented by Tommy Bozka, first elected to the board in 1976. Mr. Bozka had been appointed to the board the previous year to fill the unexpired term of Mr. R. L. Allert. He graduated from Hallettsville High School in 1949 whereupon he studied business administration at the University of Texas at Austin. Mr. Bozka began his breeder-hen business in the early 1950's. He also maintains a cattle-calf operation.[14]

Representative of district four is Robert A. Young, Jr., who has served on the board since 1986. Mr. Young received his Bachelor of Science degree in physical education from Centenary College in Shreveport, Louisiana. He also served in the U.S. Army during World War II and the Korean conflict. Mr. Young worked for the Brewster-Bartle Drilling Company, an offshore drilling business, for seventeen years, and

he owned the American Towing Company which was based in Morgan City, Louisiana, from 1965 to 1971. Mr. Young moved to Gonzales in 1971 and now operates a twelve-hundred-acre ranch.[15]

W. A. Lott, representative of district five, was first elected to the board in 1981. Mr. Lott graduated from Leesville High School. Mr. Lott "has been one of the leading peanut producers in Gonzales County for a number of years," but retired in 1985.

District six has been represented by J. P. Lorenz, Jr. since 1961, when he was appointed to fill the unexpired term of his father. Additionally, Mr. Lorenz was elected vice president of the board in 1967 and has continued in that position since that time. Mr. Lorenz graduated from Stockdale High School and obtained a Bachelor of Science degree in electrical engineering from Texas A&M University. He served in the U.S. Army Signal Corps during World War II. Mr. Lorenz established a concrete block manufacturing business in 1945, and he owned the Stockdale Lumber Company from 1948 to 1972. Mr. Lorenz is active in cattle ranching and oversees the operation of the oil producing wells on his land.[16]

Melvin Strey, first elected to the board in 1977, represents district seven. Mr. Strey, graduate of LaVernia High School, received a Bachelor of Science

degree in history and mathematics from Texas Lutheran College at Seguin. In 1959, he was employed by the Samuel Clemens High School in Schertz, and in 1966, he was awarded a Master's degree from SWTSU. Currently, Mr. Strey is teaching mathematics in Schertz.

District eight is represented by David Dennis, who has served on the board since 1984. Mr. Dennis graduated from the Schertz-Cibolo High School and served in Vietnam. He was awarded a Bachelor of Business Administration degree from Southwest Texas State University in 1973. In 1976, Mr. Dennis began working for the Cibolo Creek Municipal Authority as a regional wastewater treatment planner and is now the assistant general manager of the Authority.

Millard F. Harborth, district nine representative, was fist elected to the board in 1979. Mr. Harborth graduated from the Seguin High School in 1949 and entered Texas Lutheran College where he was awarded a Bachelor of Business Administration Degree in 1953. Mr. Harborth was employed by the Guadalupe County Agricultural Stabilization and Conservation Committee for a number of years. He received his real estate broker's license in 1975, and currently operates Geronimo Realty.[17]

One of the primary responsibilities of the directors is to hire a general manager. Following the

death of E. A. Hassman in 1952, O. W. Davis became general manager and served in this capacity until his retirement in 1972. During Mr. Davis' tenure as general manager, the Cooperative experienced a rate of growth which was above the national average. In 1955, he implemented the All-Electric Home Program, and in 1957, the Cooperative began offering a Security Light Program. Under his leadership, GVEC won numerous awards (refer to Chapter Three). In 1971, at the annual meeting of the National Rural Electric Cooperative Association, Guadalupe Valley Electric Cooperative was awarded the National Safety Award "for having worked 1,522,613 man-hours without a lost-time accident." Too, during O. W. Davis's tenure the Cooperative never increased its rates--a remarkable record of financial stability in an era of considerable inflation and institutional growth. Mr. Davis has served on many regional, state, and national committees during his career. Most significantly, he has been Acting General Manager and President of the Board of Texas Electric Cooperatives, which he helped to develop. He aided in the creation of the Texas Job Training and Safety Program at Texas A&M College, now Texas A&M University, and was the first secretary of that organization.[18]

Following the retirement of Mr. Davis, the Board selected Doyle Hines to serve as General Manager. Mr. Hines had been Acting General Manager since July 1, 1971, and had served as the Member Services Manager of GVEC prior to this time. Mr. Hines came to the Cooperative in 1958 as a Power Use Advisor. Previously, Mr. Hines had worked as an Electrification Advisor for San Bernard Electric Cooperative. While serving as Member Services Manager of Guadalupe Valley Electric Cooperative, Mr. Hines implemented many power use promotions which brought the Co-op numerous awards.[19] Under his leadership the Cooperative has initiated a load management program and has refinanced its REA debt. He hopes that in the future the Cooperative will expand into telecommunications.

The organizational structure of Guadalupe Valley Electric Cooperative has also changed over the years. During 1969, management decided to place the meter and apparatus, engineering, and line departments in the Electric System Division. All services provided to members on "the consumer side of the meter" were placed in the Member Services Division; and billing, collecting, and accounting were placed in the General Office Division, which was later renamed the Business Division. This reduced the number of people directly reporting to the General Manager.[20]

Another organizational change occurred in 1983, when the management added an Engineering Division to the existing Business, Member Services, and the Electric System Divisions to improve efficiency. This new Division was responsible for apparatus installation and maintenance, line design and planning for member extensions and system improvements, meter and radio testing and maintenance, and the design and application of load management.[21]

Guadalupe Valley Electric Cooperative presently has six division units: Electric Operations, Sequin District, Business, Administrative, Engineering, and Member Services divisions. The Electric Operations Division, headed by Lewis Eckols, is composed of the Gonzales line department, ground department, materials department, and the transportation department. The Gonzales line department is in charge of new construction, operation, and maintenance of the electrical system within its designated area. The ground department is responsible for the hauling, digging, setting, and framing of electric poles. This department also supervises the right-of-way clearance program. The line material which is required by the Cooperative is purchased by the materials department. Co-op vehicles are serviced by employees in the transportation department.[22]

The Seguin District Manager, Ronald Humphrey, is responsible for the line department and the business department, which are located in the Seguin office. In addition, the Seguin district manager is responsible for the Schertz office. The Seguin district manager supervises maintenance and operations in the Seguin district.[23] The Seguin District was made a separate division effective January 1, 1985, with Tomas Coor serving as District Manager. He was succeeded by Ronald Humphrey on February 1, 1987.[24]

The Business Division, headed by Leon Netardus, includes accounting, billing, collecting, and the print shop. Mr. Netardus is also responsible for cash management, financial forecasts, and other financial transactions. The print shop produces all pamphlets, newsletters, and forms required by the Cooperative. This division has dramatically grown over the years. For instance, the billing was originally done manually and copies of all transactions were kept in file cabinets. The billing procedure is now computerized, and consumer records, personnel files, accounting records, and other items are microfilmed.[25]

The growth of the Cooperative necessitated the creation of the Administrative Division in 1986.[26] This Division, headed by Marcus Pridgeon, is responsible for personnel activities, grounds and

building maintenance, major financial studies, and for all activities conducted through the Public Utility Commission.[27]

A fifth division is Engineering, which is headed by Steve Slaughter and is composed of the field services, load management, apparatus, meter and radio. The metering department is responsible for the operation and maintenance of all meters on the GVEC electric system.[28]

Member Services comprises the sixth division at Guadalupe Valley Electric Cooperative. John Fritz is manager of this division and is responsible for directing the marketing activities and member services. Member services is composed of the appliance service and repair shop, wiring inspectors, and member relations advisors.[29]

Like all successful business organizations GVEC depends upon the conscientious and cooperative effort of employees in the six divisions. One way that the Cooperative assures itself of friendly and courteous personnel is by having periodic orientation sessions for its new employees. In these seminars, workers learn about the Cooperative's organization, history, and operation.[30] Other sessions inform employees about the purposes and objectives of GVEC and seek to explain the various programs offered by the Co-op.[31] In

addition to these orientation sessions, the Cooperative has provided lifesaving programs such as artificial resuscitation[32] and standard first aid training.[33]

This emphasis on safety standards and procedures resulted in Guadalupe Valley Electric Cooperative receiving a safety award from Employers Insurance of Wausau for employees completing 100,000 man-hours without a lost-time accident for the period of March to October 1963.[34] Another safety award was presented at the Co-op's regular monthly job training and safety meeting for employees having worked 200,000 man-hours without a lost-time accident.[35] Management's goal has been to "eliminate accidents which cause suffering and hardships on employees and their families. Prevention of accidents also results in monetary savings which can best be spent in providing the Cooperative members with adequate and dependable electric service."[36]

By 1969, the Cooperative employees had worked 1,100,000 man-hours without a lost-time accident.[37] Employers Insurance of Wausau recognized this accomplishment when it presented GVEC with a plaque at the Cooperative's twenty-ninth annual meeting in recognition of employees having accumulated a record of working 1,000,000 man-hours without a lost-time accident.[38] In July, 1969, Guadalupe Valley Electric Cooperative received another safety award at the Texas

Job Training and Safety Annual Meeting for employees having worked 1,214,00 man-hours without a disabling injury.[39] In 1969, General Electric Company also presented the General Electric Safety Achievement Award to GVEC for having the best safety record in Texas.[40]

The Cooperative has continued to receive safety awards during the 1970s and 1980s. In 1979, GVEC received its third successive award from NRECA in recognition of its accomplishments in accident prevention and its dedication to the training and welfare of its employees. The Co-op had participated in the Safety Accreditation Program offered by the National Rural Electric Cooperative Association. To qualify for this award, participating cooperatives are inspected every two years. For instance, inspectors investigate safety administration which includes board administration, job planning and supervision, job descriptions and policy, and the maintenance of safety records and reports. Work areas must be adequately lighted and properly identified, and materials have to be correctly stored. Inspectors also examine personal tools and protective equipment such as hard hats, rubber gloves, safety belts, and eye and face protection. Finally, all machinery must be used properly.[41] GVEC earned the safety award again in 1983.[42]

The concentrated effort and teamwork displayed by employees to win these safety awards is symbolic of an attitude prevalent throughout the entire GVEC system. The board and management are very supportive of the employees as evidenced by their concern with providing safe working conditions, good facilities, [43] and benefits. The employees respond by doing an excellent job and displaying a willingness to help co-workers and members.[44] For instance, after one particularly severe Saturday night storm, employee Grace Willmann arrived at the office to answer the telephone and operate the two-way radio which helped fellow employees restore electricity. Her timely help allowed crewmen to repair electrical lines quickly and efficiently in the Seguin district, and thereby, reduced the inconvenience experienced by members.[45]

The directors, management, and employees of Guadalupe Valley Electric Cooperative are dedicated to serving the members. The consumers respond to these efforts with support and enthusiasm. For example, Mr. and Mrs. Joseph Janak of Hallettsville described their relationship with GVEC as "great," and "splendid." The Janak's served on the member information committee from 1985 to 1987. They also remember what life was like before the advent of electricity. Mr. Janak remembers that his family first received electric service from

the Cooperative in the late 1930's. Prior to this time, the family had a thirty-two volt Delco plant which produced enough electricity to operate lights, an electric iron, and a radio. These early conveniences accentuate the importance of REA.

Mr. Janak also remembers the Cooperative crews constructing some of the first electrical lines in the area. These lines were erected without the aid of machinery. The Cooperative hired local residents to help dig the holes for the electrical poles. The cost of electricity was $2.25 for approximately fifteen kilowatt hours.[46]

The Richard Klimitchek's of Hallettsville are also members of Guadalupe Valley Electric Cooperative. Mr. and Mrs. Klimitchek remember when their families first received electricity in the late 1940s. In fact, Mr. Klimitchek and his brother installed part of the electrical wiring on the GVEC system. Some of their families' first appliances were electric ranges, refrigerators, and freezers. Prior to this time, families had to can, smoke, or immediately eat fresh meat. The advent of electricity also allowed women the luxury of using electric washing machines. Mrs. Klimitchek remembers her neighbors using washboards and tubs to wash clothes.

In describing their affiliation with Guadalupe Valley Electric Cooperative, the Klimitcheks state that they have "had a very good relationship." The Co-op management and employees have been very understanding and accommodating. After moving into their new home in January 1960, a winter storm left the Klimitcheks without electricity. General Manager Doyle Hines, then working in the member services division, and several Cooperative employees went to the Klimitchek's home to see if the family needed help. The Cooperative also helped provide central heating and cooling to the Ezzell school of which Mr. Klimitchek was a board member. Mr. and Mrs. Klimitchek have also served on the GVEC member information committee and are participants in the Cooperative's load management program.[47]

Similarly, the Dan Bosanko's of Stockdale have resided in the GVEC service area for most of their lives. The Bosanko's remember what life was like before the arrival of electricity. Houses were heated by fireplaces and wood cook stoves. Water was heated in a reservoir in the wood cook stove. Today, electricity is necessary for the operation of computers, air-conditioning, heating, electric tools, and electric appliances. The Bosanko's have seen the Cooperative grow and expand from an agriculture -

oriented business to a more consumer - oriented business. As the needs of the members changed and the service area became more populated, the Cooperative expanded its services and will possibly provide satellite television, sewage, and garbage services in the future.

To the Bosanko's, the Cooperative has "been more than just an electric company." The Bosanko's have not only been served by GVEC, but they also worked for and with GVEC for two generations. Mr. Bosanko's grandfather, John Lorenz, Sr., was a director of GVEC, and Mr. Bosanko's uncle, J. P. Lorenz, Jr., has served as the district's director since the death of Mr. Lorenz's father. Mrs. Bosanko's father, Emory Montgomery, was the district's director prior to the tenure of John Lorenz, Sr. To the Bosanko's and many other members, GVEC has been a friend.[48]

The Elton Strey's of LaVernia have lived in the GVEC service area for most of their lives. In comparison with other utilities, the Streys describe GVEC as being more efficient. The couple had experienced frequent power outages prior to joining GVEC. The Streys have also served on the Cooperative's member information committee and were aware of Co-op activities. The Streys also commended GVEC for its community services. They especially appreciate the

Cooperative's donation of the award ribbons for the LaVernia Stock Show and helping paint the church steeple. The couple also praises the Co-op for providing vocational scholarships and for publishing the GVEC Review, which keeps members abreast of community and Cooperative activities.[49]

Electricity has revolutionized the poultry business. Previously, all labor was done manually. The poultry houses are now climate controlled electrically, and electric feeders have been placed into operation. This has allowed the Lester's, members of GVEC, to expand their business more rapidly.[50]

The W. L. McArthur's of Waelder moved into the GVEC area in 1970. When the McArthur's began building a new home, GVEC helped the family design the wiring. The Cooperative also repairs all electric appliances. But, are these labor-saving devices a luxury or are they essential? Mrs. McArthur states that "it's [electricity] a convenience [that] we've made a necessity."[51]

GVEC has also provided financial assistance to water cooperatives. Mr. and Mrs. Garland Powers, Jr., owners of Crystal Clear Water Company recall how the Cooperative lent them $15,000. The Farmer's Home Administration (FHA) only loaned the Powers a portion of the needed amount because the Water Company's

service area was sparsely populated. The FHA's requirements stated that the Powers must have five customers per mile, but they only had three. The Co-op encouraged the Power's endeavor and agreed to loan them the necessary funds.[52]

The GVEC membership can not be characterized as an "old, tenure member group." Only 38 percent of the GVEC members have resided in the service area over ten years. This means that the majority of the consumers have lived in the region for a relatively short period of time. Yet, a survey of members revealed that 96 percent, the highest rating in the nation, were satisfied with Guadalupe Valley Electric Cooperative. How did GVEC obtain such a high rating? In part this is the result of the publication of the GVEC Review and to the formation of the member information committees which are extensions of the Cooperative. The Cooperative has involved the membership by keeping them informed, asking for their opinions, and requesting their help. The result has been a mutually beneficial relationship.[53]

As with all relationships, however, there are occasional problems. For instance, the members sometimes make demands that cannot be easily and promptly met. Grace Willmann recalls members becoming impatient because the electricity had not been restored

yet after a severe Saturday night storm. When Mrs. Willmann reminded the consumers that the crews had been working on repairing the lines for hours and not had breakfast either, the members were very understanding and quit complaining.[54] There have also been isolated instances of difficulties between management and employees as evidenced in the strike during 1955,[55] but the workers to this day have not yet unionized. Occasionally, complications have arisen from inaccurate information which has caused problems between employees. The Cooperative does offer competitive salaries and recognizes instances of employees' dedication.[56] The members, management, employees, and directors have learned from these difficulties, and the Cooperative has matured as a result.

When asked to describe GVEC, employees, directors, members, and management stressed that the Cooperative was more than just an electric cooperative. They tended to describe the Co-op as a family, and like any family it occasionally has problems. Through a process of open communciation, management reached solutions which resulted in the growth and maturation of GVEC. Over the years management has seen that there is a need for GVEC to expand its services into new areas such as load management. While this has sometimes resulted in the Co-op having received

national recognition, it has always benefited the membership.

Endnotes

[1]Bylaws, p. 4.

[2]GVEC Review, August 1985.

[3]Bylaws, p. 6.

[4]Strey interview.

[5]Interview with Tommy Bozka, Director of Guadalupe Valley Electric Cooperative, Seguin, Texas, 22 April 1987 (hereafter cited as Bozka interview).

[6]GVEC Review, January 1984.

[7]GVEC Minutes, 22 September 1970.

[8]Ibid., 25 November 1986.

[9]Interview with David Dennis, Director of Guadalupe Valley Electric Cooperative, Cibolo, Texas, 22 July 1987 (hereafter cited as Dennis interview).

[10]Strey interview.

[11]Interview with G. D. Nollkamper, Director of Guadalupe Valley Electric Cooperative, Shiner, Texas, 24 July 1987 (hereafter cited as Nollkamper interview).

[12]Oral and Written Communications from Clarence Hallmark, Member Relations Advisor at Guadalupe Valley Electric Cooperative, 1986-1988.

[13]Nollkamper interview.

[14]GVEC Review, January 1986.

[15]Oral and Written Communications from Clarence Hallmark, Member Relations Advisor at Guadalupe Valley Electric Cooperative, 1986-1988.

[16]GVEC Review, February 1986.

[17]Ibid., March 1986.

[18]Bulletin, July 1971.

[19]Ibid., January 1972.

[20]GVEC Minutes, 26 August 1969.

[21]GVEC Review, August 1983.

[22]Eckols interview.

[23]Interview with Thomas Coor, retired Manager of the Seguin District of Guadalupe Valley Electric Cooperative, Seguin, Texas, 22 April 1987.

[24]Oral and Written Communications from Clarence Hallmark, Member Relations Advisor at Guadalupe Valley Electric Cooperative, 3 December 1987.

[25]Netardus interview.

[26]Oral and Written Communications from Clarence Hallmark, Member Relations Advisor at Guadalupe Valley Electric Cooperative, 1986-1988.

[27]Interview with Marcus Pridgeon, Manager of the Administrative Division of Guadalupe Valley Electric Cooperative, Gonzales, Texas 22 April 1987 (hereafter cited as Pridgeon interview).

[28]Slaughter interview.

[29]Fritz interview.

[30]Bulletin, November 1964.

[31]Ibid., November 1968.

[32]Ibid., March 1967.

[33]GVEC Review, April 1981.

[34]Bulletin, March 1964.

[35]Ibid., September 1964.

[36]Ibid., January 1965.

[37]GVEC Minutes, 28 January 1969.

[38]Bulletin, March 1969.

[39]GVEC Minutes, 22 July 1969.

[40]Bulletin, September 1969.

[41]GVEC Review, December 1979.

[42]Ibid., July 1983.

[43]Interview with Millard Harborth, Director of Guadalupe Valley Electric Cooperative, Seguin, Texas, 10 September 1987 (hereafter cited as Harborth interview).

[44]Interview with Lewis Borgfeld, Director of Guadalupe Valley Electric Cooperative, Cibolo, Texas, 22 July 1987 (hereafter cited as Borgfeld interview).

[45]Interview with Grace Willmann, retired employee of Guadalupe Valley Electric Cooperative, Seguin, Texas, 4 November 1986 (hereafter cited as Willmann interview).

[46]Interview with Mr. and Mrs. Joseph Janak, members of Guadalupe Valley Electric Cooperative, by Ralph Ingram, Jr., Hallettsville, Texas, 14 October 1987 (hereafter cited as Janak interview).

[47]Interview with Mr. and Mrs. Richard C. Klimitchek, members of Guadalupe Valley Electric Cooperative, by Ralph Ingram, Jr., Hallettsville, Texas, 3 October 1987 (hereafter cited as Klimitchek interview).

[48]Interview with Mr. and Mrs. Dan Bosanko, members of Guadalupe Valley Electric Cooperative, by Sarah Ezzell, Stockdale, Texas, 2 October 1987 (hereafter cited as Bosanko interview).

[49]Interview with Mr. and Mrs. Elton F. Strey, Jr. members of Guadalupe Valley Electric Cooperative, by Sarah Ezzell, LaVernia, Texas, 7 October 1987 (hereafter cited as E. Strey interview).

[50]Interview with Mr. and Mrs. Pal Lester, members of Guadalupe Valley Electric Cooperative, by Scott McMurtry, Gonzales, Texas, 6 November 1987 (hereafter cited as Lester interview).

[51]Interview with Mr. and Mrs. W. L. McArthur, members of Guadalupe Valley Electric Cooperative, by Scott McMurtry, Waelder, Texas, 11 December 1987 (hereafter cited as McArthur interview).

[52]Interview with Mr. and Mrs. Garland Powers, Jr., members of Guadalupe Valley Electric Cooperative,

by Professor Ronald Brown, San Marcos, Texas, 13 November 1987 (hereafter cited as Powers interview).

[53]Hines interview.

[54]Willmann interview.

[55]Davis interview.

[56]Willmann interview.

Chapter V

The Future

Franklin D. Roosevelt's executive order in 1935, which established the Rural Electrification Administration has dramatically changed rural America. The provision of electricity to previously remote areas has made it possible for farmers and ranchers to increase productivity and has made it feasible for industries to locate in previously inaccessible areas and to provide jobs for the residents. The funds which were available to rural electric cooperatives from the REA have allowed citizens to "have a real choice about where and how they want to live."[1]

On a more local scale, Guadalupe Valley Electric Cooperative has also provided its members with opportunities not present fifty years ago. Centrally located between San Antonio and Houston, GVEC has actively encouraged area growth primarily through the provision of "adequate and cheap electric energy." Progressive leadership, an excellent board, valued employees, and a supportive membership have made GVEC one of the leading cooperatives in the state and in the nation.

The recently instituted and successful load management program is one among many successful experiments that GVEC has initiated during the past fifty years. Concern about rising wholesale power costs led to GVEC adopting this program whereby certain electrical appliances were remotely controlled by the Co-op. Initially, a "load control receiver" was placed on 30-gallon or larger electric water heaters, but this program was so successful that central cooling units, central heating units, and central electric heat pumps were added to the program. The Cooperative will continue to expand this program in the future in an effort to raise utilitization of facilities.[2]

This intensive concentration on cost has resulted in the overall improvement of system efficiency as GVEC continues to grow. Over the past twenty-five years, the Cooperative has upgraded its electric system. Management has also implemented programs such as pole inspection and right-of-way clearance.[3] This effort has been communicated to the membership primarily through the GVEC Review. Member information committees have also been activated in an effort to provide greater accessibility to the management and to the members.[4]

Management has also informed GVEC members of political candidates' positions on rural

electrification and of anti-rural electric cooperative legislation. GVEC is not alone in this effort to keep members notified of political events. From the very beginning, electric cooperatives realized that to be heard they must speak in unison. Statewide rural electric cooperative associations began to appear in the late 1930's, and with the encouragement of Congressmen and the REA, the National Rural Electric Cooperative Association (NRECA) was formed on March 19, 1942, in Washington, D.C. This was not solely a political organization. For instance, the NRECA helped members get insurance coverage, and, when the Nixon administration terminated the REA loan program in 1972, NRECA helped organize cooperative members nationwide against the legislation and contributed to its subsequent defeat. The NRECA is therefore a "grass-roots" organization. Success is achieved through the mobilization of "groundswells of popular support for a very popular program."[5] Directors and managers of electric cooperatives have become familiar figures on the Washington political scene. Unfortunately this familiarity did not result in either the 89th or 90th Congresses approving the establishment of a rural electric bank, but in April, 1969, the National Rural Utilities Cooperative Finance

Corporation or CFC was incorporated. The CFC provided "financing to supplement that available through REA." [6]

On December 30, 1986, GVEC became the first cooperative to be financially independent of REA, but it is important to understand that without the aid given by the Rural Electrification Administration, Guadalupe Valley Electric Cooperative would not have succeeded. The Cooperative needed a tremendous amount of money initially to construct electric lines, and the REA provided the financing at terms which made the project economically feasible. Once the initial lines were built, the cost of constructing additional lines and expanding services became profitable and led GVEC officials to secure economic independence and managerial autonomy.

Rural electric cooperatives also aided in the development of suburbia after World War II. Electricity allowed urban dwellers to live in the country and still have the conveniences of a city. Industry began relocating in rural areas, and cooperatives, unlike IOU's and cities, could provide electricity at lower costs. Profit, not spent on new streets and curbs, was reinvested in the cooperative.

Guadalupe Valley Electric Cooperative also has wide-ranging economic influence on Central Texas by hiring over one hundred local residents. Since the

Co-op was established, the directors and management have hired area citizens whenever possible and believe that GVEC truly serves the community through the provision of jobs and the expenditures for goods and services.

The future looks bright for GVEC. Community development and industrial development will continue to be emphasized.[7] Telecommunications will allow the Co-op to read meters from its offices, and automatic bank transfers will eliminate the worry and hassle of paying electric bills.[8] The purchase of GVEC's REA debt will allow the Cooperative to expand its services, possibly into satellite television, garbage and sewage services. The membership will also continue to grow as new people move into the service area and possibly through territorial acquisitions as mergers occur.[9]

What makes Guadalupe Valley Electric Cooperative distinctive? The Co-op is consumer-oriented. The management's primary concern is the member-consumer. The high quality of service provided to the membership is possible through "superior management abilities,"[10] dedicated employees, and earnest directors. Mr. Lewis Eckols, manager of the electric operations division describes GVEC as "being distinctive from the word "go," because it's always been progressive, hard-working, honest, open to its membership, trying to

inform them but very active in all the fields in construction and all electric programs."[11] There is an "absolute dedication to communication." While most cooperatives invest approximately $2 per member per year on customer relations, GVEC leads the state by spending an estimated $9 per member per year.[12]

Guadalupe Valley Electric Cooperative brought not only electricity to rural citizens but also a new way of life. Electric household appliances allowed the family to have more leisure time, and radios and televisions provided information and entertainment. The Cooperative postively affected the area economically by hiring local people to construct the electric lines and to operate the Co-op. As GVEC grew and expanded over the years, the management and board continued to meet the various and changing needs of the membership. On the whole, the Cooperative continued to fulfill its primary purpose of supplying electricity at the lowest cost by continually upgrading its electric system and by taking bold steps such as establishing its load management program. At the same time, the Co-op established a variety of services and programs as the need arose. This commitment to an idea revolutionized rural life. GVEC's continuing experimentation and development of new services

suggests that it is a vital enterprise with prospects for continued growth and expansion of programs.

Notes

[1]Chessher, Let There Be Light, p. 95.

[2]Oral and Written Communications from Clarence Hallmark, 1986-1988.

[3]Eckols interview.

[4]Fritz interview.

[5]Pence, Next Greatest Thing, p. 203.

[6]Ibid., p. 227.

[7]Fritz interview.

[8]Netardus interview.

[9]Hines interview.

[10]Netardus interview.

[11]Eckols interview.

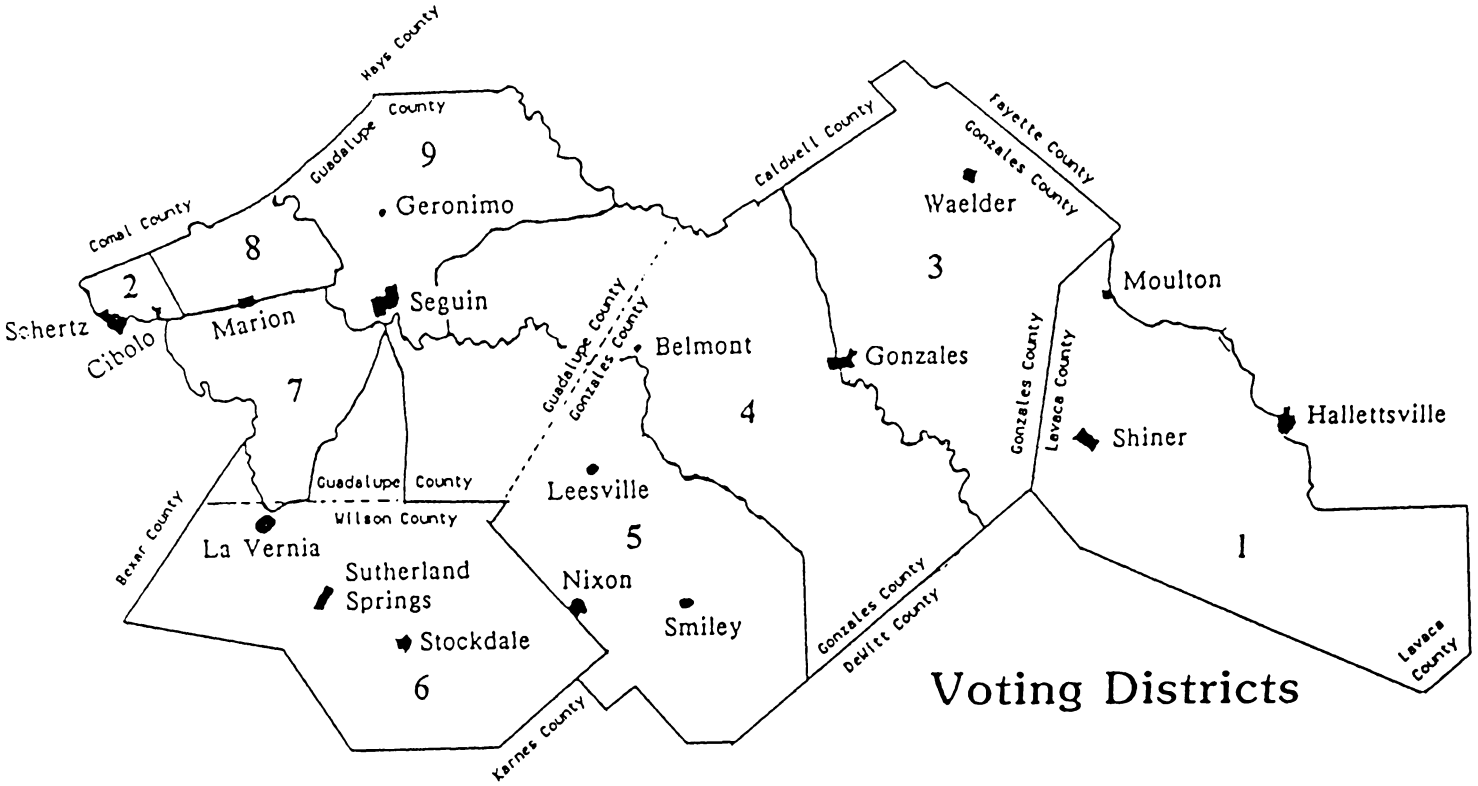
[12]Fritz interview.

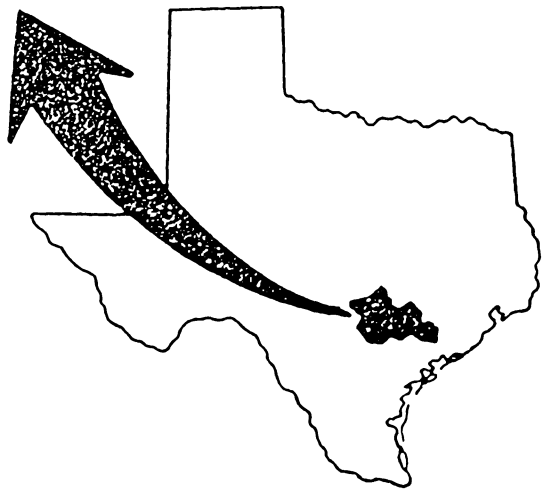
Appendix A

Maps


Austin
San
Antonio
GVEC
Service Area

GVEC SERVICE AREA





Appendix B

Directors

Appendix B

Directors of the Cooperative

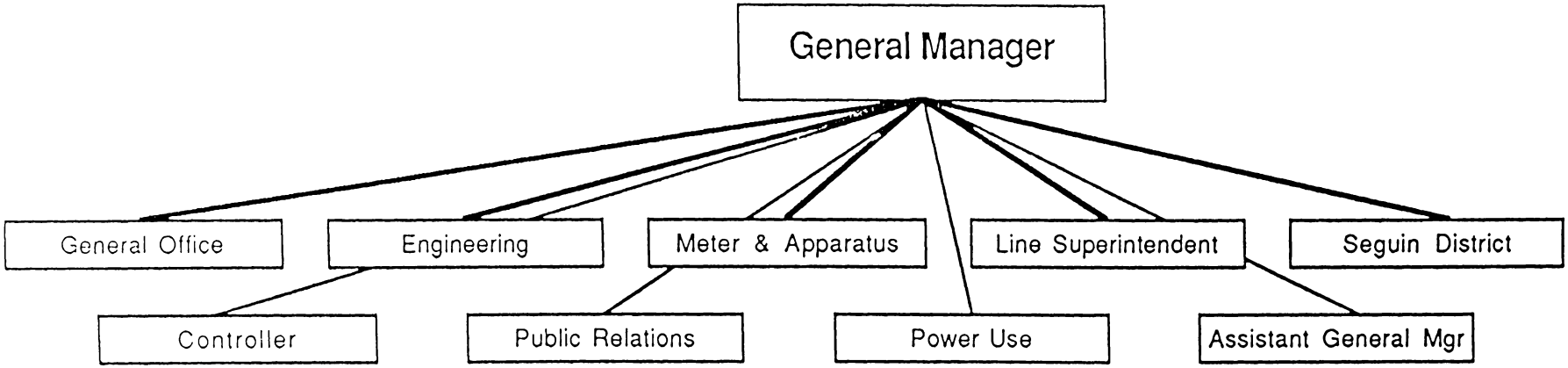
M. D. Lindemann	1938-1945 & 1946-1951
R. B. Williams	1938-1941 & 1943-1947
H. C. Gillette	1938-1939
Charles C. Deschner	1938-1940
George W. Turk	1938-1945
Theodore Siepmann	1938-1943 & 1945-1946
J. C. Pruett	1938-1943
Arthur Boenig	1938-1946
Emil G. Prochnow	1938-1941
E. F. Montgomery	1939-1943
A. W. Krejci	1940-1941
Ed Hajek	1941-1946
Arno Link, Sr.	1941-1942
Benno Weyel	1941-1947
Walter Schraub	1942-1944
R. H. Juengermann	1943-1946
Frank Marrou	1944-1946
O. W. Patillo	1946-1950
Ed Winkelmann	1947-1948
J. P. Lorenz, Sr.	1950-1961
L. L. Holstein	1943-1944
Leo Hybner	1946-1954

Robert Stein	1946-1948
Walter Dreibrodt	1948-1955
Arnold Siepmann	1951-1954
A. F. Nollkamper	1946-1968
Lukas Janak	1954-1969
Frank Kocian, Jr.	1969-1974
R. L. Allert	1945-1975
Edgar H. Zuehl	1948-1977
Herbert Koehler	1955-1979
L. D. Cook	1947-1981
Richard Tolle	1944-1984
Monroe Schauer	1954-1986
J. P. Lorenz, Jr.	1961-
G. D. Nollkamper	1968-
Lewis Borgfeld	1974-
Tommy Bozka	1975-
Melvin Strey	1977-
Millard Harborth	1979-
W. A. Lott	1981-
David R. Dennis	1984-
Robert A. Young, Jr.	1986-

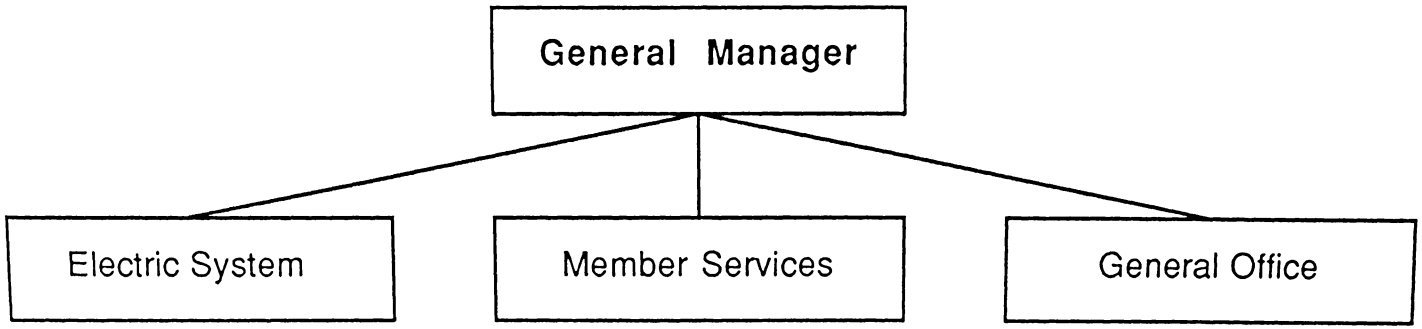
Appendix C

Administration Flow Charts

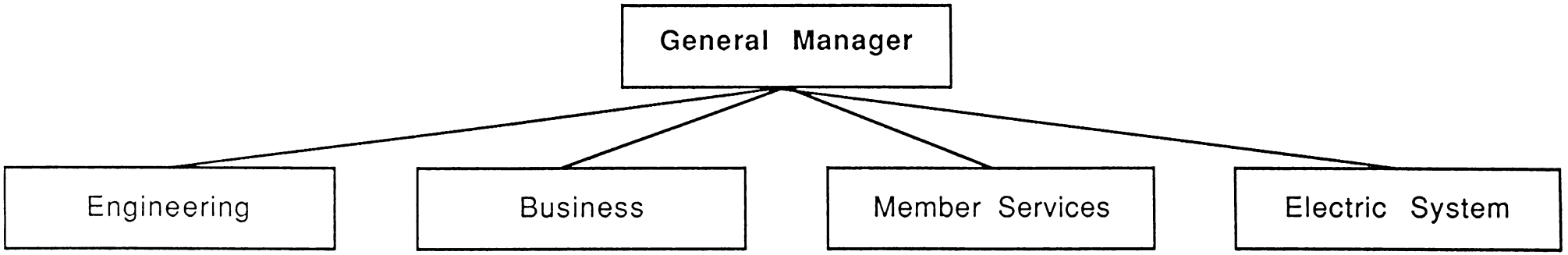
Prior to 1969



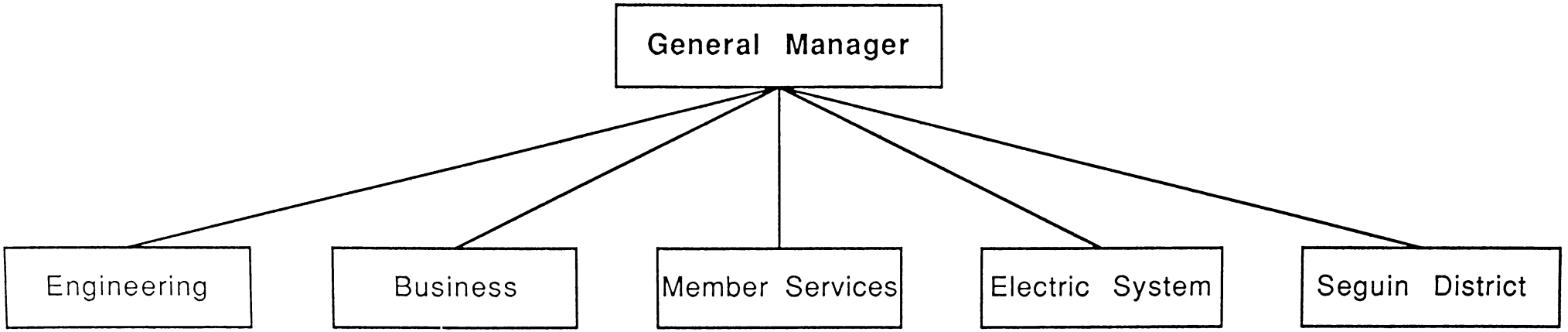
1969


General Manager
Electric System
Member Services
General Office

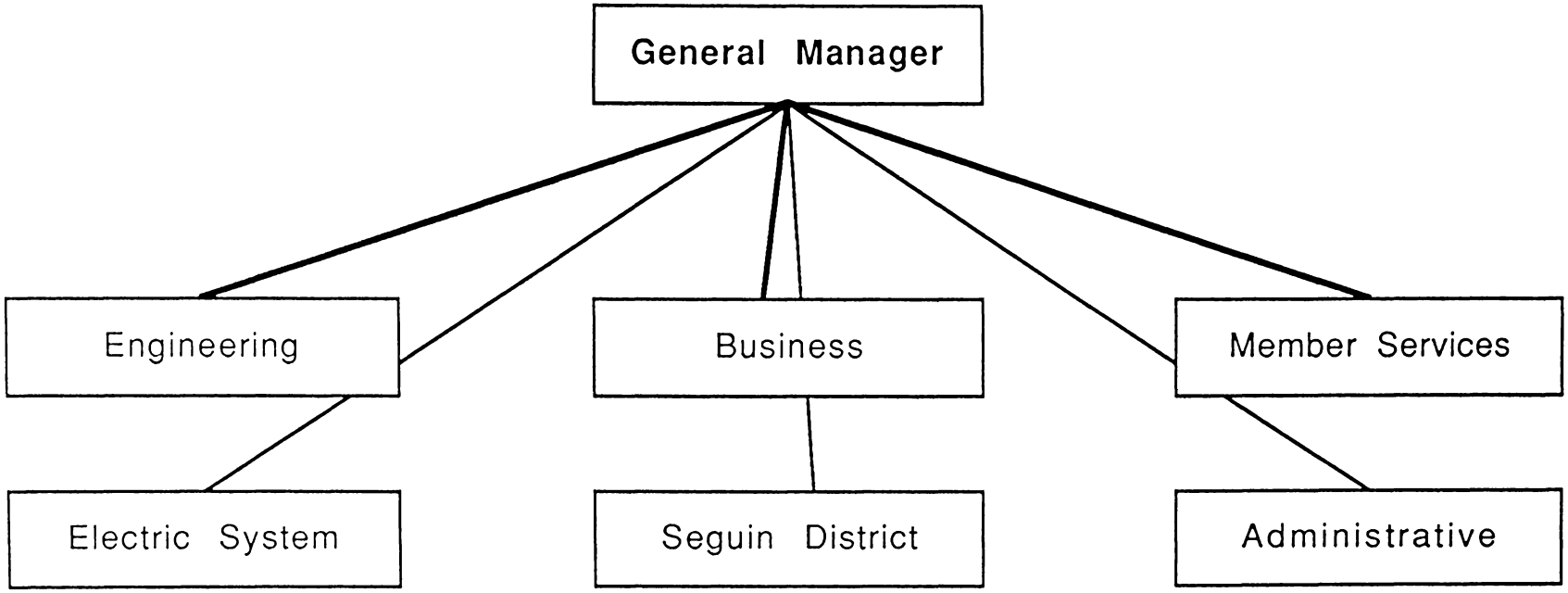
1983


General Manager
Engineering
Business
Member Services
Electric System

1985


General Manager
Engineering
Business
Member Services
Electric System
Seguin District

1986


General Manager
Engineering
Business
Member Services
Electric System
Seguin District
Administrative

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Coor, Thomas, Retired Manager of the Seguin District of Guadalupe Valley Electric Cooperative. Interview by author, 22 April 1987, Seguin, Texas.

Davis, O. W., retired General Manager of Guadalupe Valley Electric Cooperative. Interview by author, 7 October 1986, Shiner, Texas.

Dennis, David, Director of Guadalupe Valley Electric Cooperative. Interview by author, 22 July 1987, Cibolo, Texas.

Eckols, Lewis, Manager of the Electric Operations Division at Guadalupe Valley Electric Cooperative. Interview by author, 11 March 1987, Gonzales, Texas.

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