



2024-2025

WREA ANNUAL REPORT



MISSION

White River Electric Association, Inc., strives to provide its member-consumers with safe, reliable and responsible electric energy and other services at the most reasonable cost possible while remaining committed to customer and community service.



BOARD OF DIRECTORS

Back row (L-R): Alan Michalewicz (General Manager/CEO), Kelly Sheridan, Shane Phelan, Brett W. Dearman. Front Row (L-R): Ronald K. Hilkey, Hal W. Pearce, Mark A. Rogers, Bryce Ducey

SAMPLE BALLOT

OFFICIAL ELECTION BALLOT - JULY 17, 2025 WHITE RIVER ELECTRIC ASSOCIATION, INC.	
TOWN DISTRICT- THREE YEAR TERM- VOTE "X" FOR NO MORE THAN ONE (1)	
<input type="checkbox"/>	Brett Dearman (Incumbent)
<input type="checkbox"/>	Russell Overton
RURAL DISTRICT- THREE YEAR TERM- VOTE "X" FOR NO MORE THAN TWO (2)	
<input type="checkbox"/>	Kelly Sheridan (Incumbent)
<input type="checkbox"/>	Shane Phelan (Incumbent)
WREA Annual Meeting Minutes from 2024 WREA's membership received a copy of the 2024 Annual Meeting minutes with the Notice of Election. The 2024 Annual Meeting minutes are also posted at WREA headquarters and on wrea.org . With your vote, you will vote for or against the approval of the 2024 Annual Meeting minutes. Do you approve the 2024 WREA Annual Meeting Minutes as presented? Yes ___ No ___	

AGENDA

WHITE RIVER ELECTRIC ASSOCIATION ANNUAL MEETING OF THE MEMBERSHIP & MEMBER APPRECIATION EVENT

July 18, 2025 ~ RBC
Courthouse Lawn

5:00-6:30 pm

**Member Appreciation Dinner-
Pulled Pork Sandwich**

Served by the Meeker Lion's Club

5:00 pm

WREA Member Registration
*Look for the white WREA logo tent
and feather flags*

Business Meeting
at the RBC Pavilion

**Board of Director Election
Results**

6:45-7:00 pm

Door Prizes

- Vizio 65" 4K Smart TV
- Compliments of Tri-State G&T
- Aventon E-Bike
- DeWalt Cordless Shop Vac
- Stihl Electric Chainsaw
- Honeywell Smart Thermostat
- Kuui Dry Bag

**Meekerpalooza & Farmers
Market**

*in partnership with ERBM and
Meeker Chamber of Commerce*

7 COOPERATIVE PRINCIPLES

1. Voluntary and Open Membership
2. Democratic Member Control
3. Members' Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Cooperation among Cooperatives
7. Concern for Community

GENERAL MANAGER'S REPORT

By Alan Michalewicz · WREA General Manager/CEO



80 years of trust, technology, and community power

As we celebrate 80 years as your local electric cooperative, we find ourselves reflecting on the past – a slower and (seemingly) simpler time - while keeping our eyes focused on the future. The pace at which new technologies are introduced is gaining steam and, although it can feel overwhelming at times, WREA continues to embrace new technologies and programs which improve reliability, efficiency, and provide a valued service to our membership.

Drone Technology: The use of drones has revolutionized how those in our industry inspect and maintain critical infrastructure. For the past couple of years, WREA has contracted with trained FAA pilots who operate small, unmanned drones to do rapid inspection of power lines, transformers and power poles. High-resolution cameras help detect structural issues that might otherwise go unnoticed, which aids in preventing outages. Some areas of the U.S., where weather events are frequent, the electric industry has utilized drones to provide immediate damage assessment so that power can be restored safely and more efficiently. This technology significantly reduces inspection costs compared to traditional methods, and we've found the use of drones to be of good value for the membership. Because we understand that seeing a drone flying above your home can be alarming, WREA is committed to ensuring that each affected property owner receives an email and/or an automated courtesy call a couple of days prior to the inspection. We encourage members to contact our office staff to update contact information so all notifications can be delivered in a timely manner.

Cybersecurity: With technology enhancements continuing to grow, cybercrime has reached new heights. WREA's focus on cybersecurity remains in the forefront of all we do. Our IT staff works diligently to stay one step ahead of malicious attempts to penetrate our network and we implement multi-layered strategies - including network monitoring, employee training, and unannounced vulnerability assessments - to keep everyone on their toes. Strong cybersecurity measures not only provide peace of mind that consumer data is protected, they protect critical infrastructure and ensure regulatory compliance guidelines are followed on a daily basis.

Weatherization/On-Bill Repayment: WREA recently partnered with its wholesale power provider, Tri-State G&T, and the Northwest Colorado Council of Governments (NWCCOG) to offer income-qualified WREA members the opportunity to make energy efficiency upgrades to their homes at little to no cost to the consumer. Contributing generously to this effort, Tri-State G&T committed to fund up to \$150,000/year (for three years) which will be applied directly to qualifying WREA consumer weatherization efforts- like insulation, air sealing, storm doors and HVAC improvements on residential properties. Although the heavy-lifting is primarily facilitated by NWCCOG who functions as the general contractor for each project, WREA is grateful for the generosity of Tri-State in providing funding for this program which will help our members live more comfortably and save on energy costs.

In conjunction with the weatherization program, WREA also engaged in the On-Bill Repayment (OBR) program offered by Tri-State. The OBR program allows residential members access to low interest financing for energy efficient improvements with no money down, no credit check and the convenience of paying for the improvement over time as a line item on their electric bill. This USDA funded program helps make energy-saving technologies accessible to all members, regardless of income, and we are encouraged by the positive response we've received so far. Our office staff is committed to helping members benefit from both the weatherization and OBR programs and I encourage you to contact WREA directly to determine if one might be a good fit for you.

Reliability: In the electric industry, reliability is the name of the game. WREA maintains a 99.99% system reliability metric overall. A metric of which we are very proud. The recent implementation of fire protection settings on our system has prompted more frequent outages than we traditionally see, but WREA's commitment to safety remains a priority. Included in the wildfire mitigation plan, adopted by the WREA Board of Directors earlier this year, the fire protection settings are a key driver in minimizing the risk of a wildland fire. These settings force a power outage at the first indication of a fault, like a tree in the line, and power isn't restored until our talented and hard-working operations crew determine the fault is clear. We recognize that outages can be frustrating for the end consumer and remain committed to maintaining reliability when safety paves the way.

Preventative maintenance plays a critical role in WREA's reliability metric. As we have done for many years, WREA proactively inspects poles on an annual rotation to confirm integrity and replaces those that don't pass muster as soon as possible. In a collaborative effort, our operations and engineering staff have developed a four-year work plan that helps identify and budget for necessary system upgrades so that we can work toward continued reliability well into the future.

Currently, WREA is working to expand reliability for the Town of Meeker residents by constructing powerline from Tri-State's Meeker-Axial 138kV line to the Welle Substation in Sulphur Creek. Once constructed, the new 2.5 miles of line will enhance reliability for the majority of WREA's residential and small commercial members by creating a newer, stronger and more reliable power source and will allow WREA to retire 19 miles of the aging (1950's) Axial 69kV line. We're excited about the opportunity to move forward with the Sulphur Creek project and feel it makes good financial sense for our coop members who rely on us to be prudent in making good business decisions on their behalf.

To our member owners, we owe a debt of gratitude to you for eight decades of support. Throughout the years, you've elected members to the Board who remain committed and steadfast to the WREA mission. Thank you for the appreciation shown regularly to our hard-working lineman and staff and we look forward to serving you for many years to come.

PRESIDENT'S REPORT



By Hal Pearce • WREA Board President

With another year in the rear-view mirror, we've reached a milestone- The big 8-0! It's an impressive milestone, for sure, and in the rural cooperative world we're in good company. Many electric cooperatives were formed in 1936 and are closing in on an impressive 90 years. Without doubt, WREA will get there too (and beyond). Decades served by financial-minded Boards of Directors, coupled with good strategic decision making, stabilizes the health and well-being of WREA still today and WREA continues to remain financially strong.

As a Board, we recognize that it is our responsibility to manage one of the most distinctive, valuable and popular benefits of cooperative membership – capital credits. Capital credits serve as a powerful reminder that cooperatives exist with a purpose to serve their members, not to generate Wall Street worthy profits for shareholders. In keeping with years past, this August WREA will return \$1.3 million dollars to members who had electric service in 2009. With that, WREA will also pass through \$179,400 received from our wholesale power supplier, Tri-State G&T, to members from 1999. We know that members look forward to this annual return - often times calling the WREA office to inquire when, and how much, will be returned as the annual August return date nears.

The day-to-day operations at WREA are running smoothly, thanks to a talented and forward-thinking staff who keep us moving in the right direction. As a Board, however, it is not our responsibility to oversee or manage staff, but to play a fiduciary role for WREA and its members. As such, the WREA Board has been closely monitoring Tri-State G&T's involvement in regulatory discussions- particularly that of the Federal Energy Regulatory Commission (FERC). Although WREA is not a direct player in the arduous game of regulatory processes, we actively monitor FERC

rate discussions which directly impact the wholesale rates we pass on to the membership.

We are encouraged by recent FERC rulings thus far in 2025. Nevertheless, Tri-State has indicated that future rate increases are inevitable and our Board of Directors will strategize how best to absorb any increases without impact to the health of the cooperative before passing on those rates to the membership.

WREA, as a cooperative member itself, has deep and long-standing ties with Tri-State. Although we don't support all the decisions the Tri-State Board makes, we recognize that having a wholesale electric service agreement to purchase power offers a level of price stability and predictability that we could not achieve on our own in today's volatile energy market.

Stability provided by being a member of a G&T provides WREA peace of mind knowing that we have the capacity needed for our large industrial loads (which make up over 90% of our total load) and helps us achieve economies of scale to keep costs lower for the entire WREA membership.

With all this in mind, and in a unanimous decision by the WREA Board, WREA joined thirty-two other Tri-State members to sign an extension to Tri-State's Wholesale Electric Service Contract to 2066. With so many cooperatives signing the extensions, Tri-State will have greater access to federal and private funding opportunities. WREA is committed to following, and engaging in, Tri-State's decision-making processes as necessary for the term of the contract.

Most recently, WREA began working directly with Moon Lake Electric and Tri-State to begin the transfer of specific transmission facilities. After considerable analysis, the WREA Board determined that a transfer of the C-a 138 kV property to Moon Lake Electric, and a transfer of the 345 kV transmis-

sion to Tri-State makes operational and financial sense for several reasons.

First, it was never the goal of WREA to own either transmission asset long-term. The 138 kV line was built by Moon Lake Electric, resides in Moon Lake's service territory and was built to serve their load. Many years ago, the line was transferred to WREA due to landowner disputes that have since been resolved. The 345 kV line was constructed by WREA, but fully funded by a few industrial consumers, because the turn around time for Tri-State to build the line was extensive. As a result, WREA took the lead in having the line constructed to accommodate the rapid load growth occurring in the Piceance Creek Basin at that time (2007-2008) with the understanding that Tri-State would operate, and eventually assume ownership, of that transmission line.

Secondly, and most importantly, as the lines continue to age the cost of maintenance and materials has risen significantly. In the event of a natural disaster, the replacement cost would be enormous and the liability in the event of a fire could be crippling. Since powerlines are not covered by insurance, any damage would be absorbed by WREA's membership. The Board determined that risk is too great for our small cooperative and, as such, the transfer, assignment and conveyance of both transmission facilities are in their infancy stages. WREA will update the membership upon completion or if plans change along the way.

While it's been a busy year for WREA and its staff, we anticipate an equally busy year ahead. We welcome you to your 80th Annual Meeting and encourage your valued feedback or suggestions. We look forward to celebrating our 80th milestone together, at the 5th Annual Membership Appreciation event on July 18th, 2025, and hope to see you there!

FACTS & FINANCIALS

Year Incorporated: 1945
 Power supplier: Tri-State Generation & Transmission
 Total revenue sales: \$46,683,400
 Total cost of wholesale power: \$36,605,942
 Total kWh sold: 531,078,062
 Maximum kW demand: 71,606
 Average cost/500 kWh: \$59.52
 Average cost per kWh: 0.11903
 Property tax paid: \$199,622
 Number of employees: 26
 Total payroll: \$3,521,965
 Total utility plant: \$49,384,802
 Total assets as of December 31, 2024: \$95,865,120
 Miles of line: 1,035
 Meters Served: 3,484

WHERE THE MONEY GOES

83.08% Purchased Power
6.25% Operations & Maintenance
5.75% Administration & General
0.79% Consumer Accounting
2.84% Depreciation
1.29% Long Term Interest

Financials: Assets and Operating Revenues- Two Year Comparison			
Assets		2024	2023
	Total utility plant	\$49,384,802	\$46,906,807
	Accumulated depreciation	\$18,475,368	\$17,374,662
	Net utility plant	\$30,909,434	\$29,532,145
	Other property and investments	\$50,546,327	\$48,766,296
	Currents assets	\$14,061,860	\$16,423,906
	Deferred debits	\$347,499	\$89,184
	TOTAL ASSETS	\$95,865,120	\$94,811,531
Equities & Liabilities		2024	2023
	Margins and equities	\$73,203,274	\$70,256,549
	Long-term debt	\$13,868,403	\$14,326,780
	Current liabilities	\$6,017,553	\$6,748,848
	Other credits	\$2,775,890	\$3,479,354
	TOTAL EQUITY & LIABILITIES	\$95,865,120	\$94,811,531
Operating Report		2024	2023
	OPERATING REVENUES	\$46,683,400.00	\$50,256,358.00
	Cost of Power	\$36,605,942.00	\$38,350,540.00
	Operating Expenses	\$5,639,167.00	\$8,109,402.00
	Depreciation	\$1,249,836.00	\$1,224,654.00
	Interest	\$568,173.00	\$530,257.00
	Other Expenses	-\$92,425.00	-\$109,967.00
	TOTAL EXPENSES	\$43,970,693.00	\$48,104,886.00
	Operating Margins	\$2,712,707.00	\$2,151,472.00
	Interest Income	\$354,133.00	\$239,431.00
	Non-operating margins	\$255,779.00	\$186,687.00
	Patronage Capital Credits	\$2,065,515.00	\$364,517.00
	Extraordinary item	\$0.00	-\$1,000,000.00
	TOTAL MARGINS	\$5,388,134.00	\$1,942,107.00

YEARS OF SERVICE ACKNOWLEDGEMENTS



Kim Dungan
Employee - 10 years



Mike Dinwiddie
Employee - 10 years



Clayton Shonk
Employee - 10 years



Justin Carroll
Employee - 10 years



Jason Kracht
Employee - 20 years



Bryce Ducey
Director - 5 years



Brett Dearman
Director - 5 years



Troy Hilkey
White River Energy - 25 years

*Thank
you!*



WHITE RIVER ELECTRIC ASSOCIATION, INC.

233 6th St • PO Box 958 • Meeker, CO 81641

Customer Service and 24 hour dispatch: (970) 878-5041

Fax: (970) 878-5766

Secure Payment by Phone: (970) 878-8676

Email: wrea@wrea.org

TO SERVE OUR MEMBERS BETTER, WE CAN BE
REACHED DURING THE FOLLOWING HOURS:

Monday to Thursday: 7 a.m. to 5:30 p.m. **Friday:** Closed
(Lobby closes at 5:00 every day)

