WHITE RIVER ELECTRIC ASSOCIATION

ANNUAL REPORT

2025-2026

BOARD OF DIRECTORS


Hal W. Pearce
President


Mark A. Rogers
Vice President


Bryce Ducey
Secretary


Ronald K. Hilkey
Treasurer


Brett W. Dearman


Shane Phelan


Kelly Sheridan

SAMPLE BALLOT

OFFICIAL ELECTION BALLOT - JULY 16, 2026
WHITE RIVER ELECTRIC ASSOCIATION, INC.

TOWN DISTRICT- THREE YEAR TERM- VOTE "X" FOR NO MORE THAN TWO (2)

- ☐ Hal W. Pearce (Incumbent)
- ☐ Kevin L. Amack
- ☐ John Strate

WREA Annual Meeting Minutes from 2025

WREA's membership received a copy of the 2025 Annual Meeting minutes with the Notice of Election.
The 2025 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 2025 Annual Meeting minutes.

Do you approve the 2025 WREA Annual Meeting Minutes as presented? Yes ___ No ___

AGENDA

WHITE RIVER ELECTRIC ASSOCIATION
ANNUAL MEETING OF THE MEMBERSHIP &
MEMBER APPRECIATION EVENT
July 17, 2026
Downtown Plaza ~ Meeker

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
Directly west of the RBC Pavilion

Board of Director Election Results

6:45-7:00 pm
Door Prize Drawings
- *Stihl Electric Lawn Mower*
- *DeWalt Trimmer*
- *DeWalt Pruning Chainsaw*
- *$250 Spa Gift Certificate ~ The Mend*
- *Weber Travel Grill*

- Compliments of White River Energy
- *$250 Amazon Gift Card*

- Compliments of Tri-State G&T
- *$200 Gift Card*

- Compliments of Western United Electric Supply Company
- *$50 Home Depot Gift Card*

- Compliments of the Cooperative Finance Corporation

4:00 - 8:00pm
Meekerpalooza, Meeker Market & National Fire Preparedness Day
In partnership with ERBM, Meeker Chamber of Commerce, and the White River Conservation District

WHITE RIVER ELECTRIC ASSOCIATION INC.
MEEKER, Colo.

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*

Recovery, resilience, and the road ahead

As we reflect on the past year, I am reminded of the strength, resilience, and commitment that define White River Electric Association. The Elk and Lee fires created one of the most significant challenges our cooperative has faced, damaging critical electric infrastructure across difficult terrain and disrupting areas vital to our members, our local economy, and the broader region. In the face of that challenge, WREA employees, mutual aid crews, contractors, emergency responders, county partners, local landowners, and the entire community came together with determination and purpose.

Although WREA's transmission losses were significant, totaling more than $23 million, we recognize that we were not the only entity affected by these devastating fires. We extend our heartfelt thanks to local landowners who allowed WREA and other critical agencies access through their properties, shortening routes to damaged areas and helping streamline recovery for affected consumers, even while assessing their own losses. WREA values the relationships we have held with private landowners for many decades and understands that the loss of livestock, grazing land, hay ground, and fencing has been devastating for our agricultural community. We stand alongside them as they continue to recover.

Last August, before the smoke had settled, WREA's immediate priority was to restore service safely and as quickly as conditions allowed. Crews worked long hours in unforgiving wind and heat, steep and burned terrain, and remote locations where access was limited and conditions changed daily. The recovery effort required replacing hundreds of damaged poles, miles of conductor, and related equipment, while also evaluating the system for long-term reliability and safety. We are grateful for the support of neighboring cooperatives and partners who helped WREA respond during this extraordinary time of need.

As line workers from across the region assessed damage and restored power, WREA accounting and engineering staff immediately began coordinating with the state's Division of Homeland Security and Emergency Management to calculate losses for inclusion in a disaster declaration filed with the Federal Emergency Management Agency (FEMA). That declaration, and a subsequent appeal, were both denied by FEMA. The denial was deeply disappointing, especially because WREA met the required loss thresholds and submitted all information in a timely manner.

While FEMA assistance was never guaranteed, WREA knew we needed to find a path forward that would help protect our members from carrying the full financial burden. We moved quickly to explore practical recovery options, including long-term financing. Even in a worst-case scenario, financing the recovery cost over 30 years would likely result in a rate impact of less than 5% for WREA members. But we are not stopping there. WREA continues to look for additional opportunities that could further reduce the impact on our members. We also remain in close contact with lawmakers to better understand FEMA's denial and to explore federal and state assistance options that may be available if we face similar circumstances in the future.

While fire recovery has been the primary focus this past year, the experience reinforced the importance of WREA's wildfire mitigation work. Through our annual maintenance plan, we've long understood that right-of-way maintenance, vegetation clearing, and system inspections are essential to reducing risk in the rugged and heavily vegetated areas we serve. We also continue to evaluate and adjust protective equipment settings during elevated fire conditions, balancing reliability with the responsibility to reduce ignition risk. This ongoing work remains a critical investment in the safety of our members, employees, first responders, and communities.

Beyond fire recovery, WREA resumed work on the design and advancement of the Sulphur Creek transmission line project. Once complete, this project will include approximately three miles of new transmission line, allowing WREA to remove more than 20 miles of aging 1950s transmission line that currently crosses rugged mountainous terrain. In addition to shortening the route and helping mitigate fire risk, the Sulphur Creek transmission line will provide a new source of power to Meeker, strengthen system reliability, and better position WREA to serve members in the years ahead.

The fires caused more than $23 million in damages to WREA infrastructure.

While the past year brought adversity, it also demonstrated the value of cooperative commitment and strong partnerships. WREA will continue to focus on safety, reliability, financial responsibility, and practical investments that protect our members and strengthen our system. I want to thank our employees for their dedication, our Board of Directors for their leadership, and our members for their patience and support as we continue the work of recovery and improvement.

PRESIDENT'S REPORT

By Hal Pearce · *WREA Board President*

A voice for WREA members

On behalf of the White River Electric Association Board of Directors, thank you for your support, patience, and confidence during a difficult year. As someone who has spent a lifetime depending on rural electric service, I know electricity is more than a monthly bill. It keeps stock water flowing, businesses running, and families connected across Rio Blanco County. This past year reminded us how important that system is.

The Elk and Lee fires damaged more than infrastructure. They changed WREA's financial and operational realities at a time when rural electric cooperatives were already facing rising costs, more regulation, and decisions made far from the communities we serve. Too often, folks in rural Colorado must comply with laws from Denver or Washington that do not reflect life outside the metro area.

One Board priority is staying engaged on state and federal political and regulatory issues. Wildfire liability is a clear example. State and federal leaders must distinguish between negligence and circumstances beyond a utility's control, such as lightning strikes. Lawmakers need to work with utilities on common-sense solutions for liability and cost accountability. WREA and other Colorado cooperatives have long invested in wildfire mitigation, and those costs continue to grow as inspections and infrastructure hardening become even more important.

During the Elk and Lee fires, WREA received strong bipartisan support from state and local officials, and we are very grateful. Since then, we have maintained those relationships so policymakers better understand our unique service territory and the value of working together toward common goals.

The denial of FEMA funding related to the Elk/Lee fire was deeply disappointing. WREA still has not received a clear explanation as to why it was denied. With no prior FEMA experience, we relied heavily on the state's Division of Homeland Security and Emergency Management to submit a filing we believed exceeded FEMA thresholds. The disaster declaration also emphasized impacts to industrial loads in the Piceance Basin that support broader state and national energy needs.

Long before the FEMA request was submitted, WREA knew we had to rebuild. The Board also wanted to avoid immediate, drastic rate impacts. Many agricultural members were already facing serious fire losses, and we did not want to add another hardship through sudden rate increases. Cost stabilization remains a top priority, and with guidance from WREA staff, the Board is exploring options to minimize fire recovery-related rate impacts.

At the same time, electric utilities nationwide face rising costs for materials, equipment, labor, insurance, compliance, wildfire mitigation, and transmission. Some increases stem from supply shortages and growing energy demand; others from legislative and regulatory changes requiring new generation, compliance, or system upgrades. WREA cannot control every cost, but we can plan carefully, spend responsibly, and work to lessen the impact on members.

We have come through a hard year, and work remains. Meeker residents know hard work, and so does WREA. WREA will keep asking questions, pushing for less red tape, and advocating for common-sense decisions from lawmakers. Thank you for your trust, encouragement and support as we continue serving you.

WREA's request for FEMA funding to rebuild after the Elk and Lee fires was denied.

FACTS & FINANCIALS

Year Incorporated: 1945
Power supplier: Tri-State Generation & Transmission
Total revenue sales: $50,381,849
Total cost of wholesale power: $39,128,745
Total kWh sold: 526,251,818
Maximum kW demand: 90,006
Average cost/500 kWh: $59.52
Average cost per kWh: 0.11903
Property tax paid: $261,294
Number of employees: 25
Total payroll: $3,792,790
Total utility plant: $54,118,217
Total assets as of December 31, 2025: $97,075,657
Miles of line: 1,000
Meters Served: 3,512

WHERE THE MONEY GOES

82.17% Purchased Power
6.5% Operations & Maintenance
6.38% Administration & General
1.02% Consumer Accounting
2.73% Depreciation
1.20% Long Term Interest

Financials: Assets and Operating Revenues- Two Year Comparison

Assets		2025	2024
	Total utility plant	$54,118,217	$49,384,802
	Accumulated depreciation	$19,570,164	$18,475,368
	Net utility plant	$34,548,053	$30,909,434
	Other property and investments	$51,628,222	$50,546,327
	Currents assets	$10,634,099	$14,061,860
	Deferred debits	$265,283	$347,499
	TOTAL ASSETS	**$97,075,657**	**$95,865,120**

Equities & Liabilities		2025	2024
	Margins and equities	$76,278,353	$73,203,274
	Long-term debt	$13,398,098	$13,868,403
	Current liabilities	$4,670,419	$6,017,553
	Other credits	$2,728,787	$2,775,890
	TOTAL EQUITY & LIABILITIES	**$97,075,657**	**$95,865,120**

Operating Report		2025	2024
	OPERATING REVENUES	**$50,381,849.00**	**$46,683,400.00**
	Cost of Power	$39,128,745.00	$36,605,942.00
	Operating Expenses	$6,619,141.00	$5,639,167.00
	Depreciation	$1,297,931.00	$1,249,836.00
	Interest	$573,428.00	$568,173.00
	Other Expenses	-$5,851.00	-$92,425.00
	TOTAL EXPENSES	**$47,613,394.00**	**$43,970,693.00**
	Operating Margins	$2,768,455.00	$2,712,707.00
	Interest Income	$332,029.00	$354,133.00
	Non-operating margins	$29,873.00	$255,779.00
	Patronage Capital Credits	$1,199,152.00	$2,065,515.00
	Extraordinary item	-$1,000,000.00	$0.00
	TOTAL MARGINS	**$3,329,509.00**	**$5,388,134.00**

Years of Service Acknowledgements

Thank you to WREA employees Tanner Russell for 15 years of service, Amy Tupy for 5 years of service, Bud Ridings for 15 years of service, and White River Energy employee Dallas Collins for 25 years of service. We appreciate 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)

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.