

Interview with Lewis Borgfeld

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Begin Tape 1, Side 1

Karen Yancy: This is Karen Yancy. Today is July 22, 1987, and I'm conducting an oral interview with Mr. Lewis Borgfeld, director of Guadalupe Valley Electric Cooperative [GVEC].

Why did you become a director of GVEC?

Lewis Borgfeld: Let me get with you in just a second.

Yancy: Why did you become a director?

Borgfeld: Well, I guess I hadn't given any thought to it, but at the time I became a director, I came on as an advisor director, and I was approached by Doyle Hines as to whether or not I would be interested. We had a couple of meetings, and it did seem very interesting, although at that point in time I didn't know very much about GVEC and certainly, I guess, not really anything at all about electric utilities.

Yancy: What experience did you bring to the board?

Borgfeld: Well, at the time I came onto the board, I had been with the bank for about almost three years. I was getting involved in the financial community; had been involved with the Chamber of Commerce and was getting a little bit into industrial development in the area. All those were relatively new and other than that—I was a graduate of Southwest Texas State University with a degree in business education, and I had spent several years in the Air Force, flew as a pilot in the Air Force.

Yancy: How many years have you served as a director, and what year did you begin?

Borgfeld: Well, I came onto the board in April 1973 as an advisor director, and I believe it was in '74 that I was appointed to the board to fulfill the unexpired term of a deceased board member, and so that puts me on there about fourteen years.

Yancy: What kind of time commitment is involved being a director?

Borgfeld: Well, over this past year, my commitment has certainly increased considerably with the retirement of Monroe Schauer as President and my election to that position. I guess that's hard to answer because it varies considerably; the actual time with the meetings and so forth is, at a minimum, one full day a month. I guess I'm relating a little bit back to before and after this past year. I think we've been pretty involved in attending seminars [and] trying to educate ourselves. I think a number of our board members are now certified through the NRECA [National Rural Electric Cooperative Association] education program, so there's commitments for that. I think we try to be as involved as can with—our involvements with LCRA, with wholesale power customers, NRECA, and various other types of things where actual time is spent on those occasional board meetings, special board meetings. We try to attend meetings within the communities that involved the board members. We try to make those types of meetings where cities are meeting with something involving electric utility or community groups or something that have questions. I don't think that, at this time, we have that much involvement as we did when I first got on the board. Rates were going up. There was a lot more consumer interest. I guess the term "interest" is being kind; they were outright hostile on several occasions, and we have our member information committees. When you really add it up, there is a lot of time that's spent on it. Then our member publications and the information, I think that our management provides us with a lot of information; it just takes time to sit down and read. A lot of occasions when you're driving down the road, you're thinking about something that is involved with electric utilities, so putting an actual time on it—it varies from month to month, week to week sometimes. Sometimes it's a long time; sometimes a week or two goes by where there might not be any involvement. In the past year, that has certainly increased some, and, of course, my contact directly with the general managers with questions that come up that I have or he has; our communication back and forth is usually several times a week.

Yancy: What are your responsibilities as director?

Borgfeld: Well, I think that the directors have really the policy-making and overseeing that the organization functions. That's not unique just to GVEC. I think that any organization should be constructed that way. The board is really the policy-making entity and should work through management to see that the objectives are achieved. The board has to set the goals and objectives of the organization and then just insure that the management carries out those goals and objectives.

Yancy: What are your responsibilities as president of the board?

Borgfeld: To preside over the meetings for one thing—

Yancy: Have they increased?

Borgfeld: Well, certainly. The president along with the other, the vice president and the secretary-treasurer, make up the executive committee, so on occasion, if some questions come up and if there's not particularly time for getting the whole board together, and in some cases there may not be particularly a need to get the whole board together, our involvement in those types of activities—I think, and I can relate it to being here at the bank. I'm in a management position there, and we call board members, chairman, and so forth to get together and discuss a number of things. Sometimes it's just a good idea to just talk about various things that are coming up and seeing what is perceived by management, that they think they want to do or feel the need to do, and it's probably the main tie between the board and the management.

Yancy: I know you get a stipend, but what kind of personal satisfaction do you get as a representative of the Co-op members?

Borgfeld: Well, I think that—number one, I think we have a rather outstanding utility, and I think probably anybody gets a certain amount of satisfaction and feeling of accomplishment being involved with somebody that is, so to speak, a winner. You can relate that to sports figures. You always want to play for a contender because of the, I think, a lot of the self-satisfaction that goes along with the feeling of being successful and accomplishment, and I think that GVEC is a rather outstanding utility. There is a lot of satisfaction in that, and I think that all of the board members are pretty involved in their communities. You'll probably find them not just associated with GVEC and their vocation. You'll find them in school boards or other types of boards or community projects and so forth, and I think that probably if you're involved in your community, you feel like you need to work within that community, and certainly providing the electric utility service and maybe some of the other expanded things that we might do in the future are things that are necessary for the development of our communities. If we don't; if we're going to have some development—we try to have the best type of development that we can. And in this area, where we have the influence of San Antonio, we're going to grow no matter what, but when you get down to some of the other areas of the electric utility, if there's not some opportunity and some way for younger people to stay within their communities, those communities could very well not retain some of their younger people. People are going to go off somewhere else, so that's kind of a long-winded way around of saying of answering your question, I guess, but—

Yancy: Do Co-op members contact you about policy changes or any other concerns they have?

Borgfeld: Oh, yes.

Yancy: How often do they—

Borgfeld: That varies; sometimes I don't have anybody talk to me for maybe three months, and then you'll have several of them come up over some various types of concerns. Usually, you'll find it coming out where somebody has some policy of the Cooperative that may conflict or create a problem with what they're trying to do, so—but I think in a lot of cases there are some questions that just come up. People hear about something or read something in the *GVEC Review* or they talk to somebody in some other utility, and there's some question that comes up, and they'll ask about our policies and how they're developed and why and so forth. I think that, generally, we have pretty sound set of policies and they're pretty equally enforced and so forth, so on the occasions where we've have some difficulties with it, I think we've come through it rather well. In a lot of cases, we just have consumer interest, member interest.

Yancy: What are the aspirations of the board?

Borgfeld: When you say aspirations of the board, are you talking about for the utility or—

Yancy: For the utility.

Borgfeld: Well, we've answered a little bit of that in providing good service within the utility itself, and I don't know that we restrict it to just providing good electric service. Obviously, our main goal is to provide the electric service that is necessary and needed by the members at the lowest possible cost, and the lowest possible cost may not mean the cheapest dollar because if we cut our maintenance, we obviously couldn't sell electricity. Probably right now we could, but that would be a short-term deal, but in the long term that would be disadvantageous. So I think along with the cheapest possible cost, you have to look at the overall operation and what is it going to be over a long-term basis, and that's our aspiration to provide the electricity necessary at the lowest possible cost over a long-term basis. Sometimes that means you have to pay a little more now and over the long term pay less. I think that we also look in the future and determine what the electric utility's responsibilities to the community in the years to come involve. We are involved with water companies at the present time and are looking at several other types of services that we may very well provide. I don't think that we believe that rural electric utilities were developed for the sole purpose of just putting in a line and electricity at the end of it. I think that other responsibilities and services can be provided through the utility.

Yancy: What are your greatest concerns for GVEC?

Borgfeld: Well, I guess the greatest concern is certainly the continuing the record that the utility has developed over the years. I think it has been an excellent utility, financial sound, system-wise. We have a sound system—it's in excellent shape. I think that our rates are very comparative to what is available, and I think that probably the biggest concern is just to be able

to continue to do what we are doing and not have any regression or deterioration of the system itself.

Yancy: Other co-ops tend to have very argumentative board meetings, but GVEC doesn't. In your opinion, why doesn't GVEC experience these problems? Is the relationship between the board and management or some other reason?

Borgfeld: Well, I don't think that we—I think that there's—you say argumentative board meetings, I take that to mean that they've got disagreements between people that are counterproductive.

Yancy: Yes.

Borgfeld: We certainly have some lively discussions on occasion, and I think that's probably important that people can come into a meeting and state what their feelings are, although there may not be total agreement or something, and generally by the time we're finished discussing it, we've come to some resolution of the situation that I think is acceptable and is usually to the benefit of the utility itself. If you don't have that kind of communication, then there is no need to have nine board members. If you just go in and everybody agree to everything, "rubber stamp," so to speak, there's no need to waste the time, so I think that there is a lot of communication, and that it is just—that the board members there probably respect each other and management, and I think that probably each of the individuals involved has earned that respect, so I think that's why it doesn't turn into an argument but it does involve meaningful discussions.

Yancy: GVEC has a good consumer relationship. To what do you contribute this goodwill?

Borgfeld: Well, I think that the communication with the membership has evolved in the Cooperative with what we're doing and how we're doing it. *GVEC Review* is certainly, I think informative and interesting with all the publications that people get; a lot of people read the *GVEC Review*. Our member information committee program has certainly been beneficial to us in communications with the membership, to keep good relations, but I think probably what it really goes back to is, oh, I guess it's going back almost thirty years now is that they developed a very strong member services division. They have many more people involved in member services than most utilities our size. I think that involvement in their efforts has created a good deal of goodwill in the membership.

Yancy: In talking with GVEC employees, the Co-op seems to be one big happy "family." Would describe the GVEC this way?

Borgfeld: Well, I know that everybody sees it from a different perspective. Yes, I do. I think that the—what has probably contributed to that is the fact that, I believe, that the board has been very supportive of the employees over the years with benefits and various get-togethers during the course of the year and the other side of that is that, I think, that the employees have done a very good job for the utility so it's been a very good two-way street. Also, I think that you see that the times when the employees have some difficulties, other employees pitch in and help them out, and I think that maybe that's where the family-type thing is. Certainly, you've always got the employer-employee relationship. I think that we have a very good relationship both ways there, but the thing that really ties it together, I think, is the employees themselves and their willingness to help each other. When one person gets into a little bit of a bind, you'll find other ones helping them out, and that's what, I think, the family relationship is, coming in. I agree with that. The employees do a good job.

Yancy: What do you see as the future of GVEC?

Borgfeld: Well, our area is certainly in a very—potentially high-growth area, with the western end already being somewhat urban. Certainly we have a good bit of commercial and industrial load, and that will very likely continue to grow, so electrically we will continue to have a system that is going to grow. I think that financially we developed a program to be a very strong organization. The future of it, in addition to serving those electric needs, I think that we're going to be able to do that extremely well. Additionally, I think that we're going to need to continue with our load management about which the board feels very strongly about, committed to continuing load management, found that was a universal thing within the industry, and ourselves—we're going to have to have other services provided into this area, and I think that our planning is going to have to involved analyzing what those are, whether its water or whether its satellite TV or home security systems. Those certainly need to be looked at, and we—I don't think we have look at it as strictly an electric utility. I think that there are needs that are going to need to be met by somebody, and very likely by GVEC, if it's feasible and if it's services that are needed by our membership.

Yancy: Well, that's all the questions I have. Do you have anything else you would like to add?

Borgfeld: You had plenty of questions. I don't know what, I expect that. (Yancy laughs)

End of interview