

## Interview with Millard Harborth

**Interviewer: Karen Yancy**

**Transcriber: Karen Yancy**

**Date of Interview: September 10, 1987**

**Location: Mr. Harborth's Home, Seguin, TX**

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*Begin Tape 1, Side 1*

**Karen Yancy:** This is Karen Yancy. Today is September 10, 1987, and I am conducting an oral interview with Mr. Millard Harborth, director of Guadalupe Valley Cooperative [GVEC] at Gonzales, Texas.

**Millard Harborth:** My reasons for becoming a director are basically [that] the person that was representing us had been a director for a long time, and his age and health was becoming a factor, so I asked him if he was going to run again, and he said, no, he didn't want to run again. So I asked him if he would object if I ran, and I said I would do it then. That's—(Harborth and Yancy laugh)—you can knock out all the junk—(Harborth and Yancy laugh). No, I do have a degree in accounting and [am] good with figures; I know the area. I've lived here all my life, born and raised, and I was originally part of the old public service system that was put in that the Guadalupe Valley Electric Cooperative bought in. I don't know what year it was.

**Yancy:** Okay.

**Harborth:** See, we lived; we used to live up on the highway—

**Yancy:** Mm-hmm.

**Harborth:** And we got electricity in December 1935 from the city public service, and when—anyhow, city public service wanted to sell their lines to GVEC—

**Yancy:** Mm-hmm.

**Harborth:** And GVEC bought the lines, and that's how we got on GVEC up there, and well, it's the same system right here.

**Yancy:** Mm-hmm. How many years have you served as a director?

**Harborth:** Well, I'm starting my ninth year.

**Yancy:** What year did you begin serving?

**Harborth:** Now, what year did I start? If it's nine, I started at '78 or '79. I think I started in '79 because my terms run out in '88 again, so that would make the nine years. So I started in '79, June of '79.

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

**Harborth:** Well, approximately, actually meeting time, when you consider all the seminars and everything else—I have my certification up there from the Rural National Electric Co-op, and that's sixteen days of work, but it amounts to approximately twenty to twenty-five days a year of actual meetings. And then it involves just the reading of material that we get mailed to us, the magazines and mail out that we get from—

**Yancy:** Mm-hmm.

**Harborth:** —national, from state, from LCRA [Lower Colorado River Authority], from the Texas Power Association or I don't know what they call that one, that's a new one that's been coming—but I would say that you can almost spend about half a day a week or a day a week reading all that material and anything else that's in the newspapers related to LCRA. I get the *Austin American* [*Statesman*], and I read all the articles, anything pertaining to LCRA.

**Yancy:** How long does it take to prepare for a meeting?

**Harborth:** Well, I would say approximately two to three hours that I spend reading, when I get my folder. We usually get our folders on the Friday before the Tuesday meeting, and I usually read it sometime during the weekend. I'll read the minutes and the manager's report, and I'd say approximately three hours I spend going over things and—

**Yancy:** Reviewing material?

**Harborth:** Reviewing everything that's mailed to me.

**Yancy:** The next question is: When do you get the materials?

**Harborth:** It's usually the Friday before the meetings; sometimes, the Thursday. It all depends on what date the meeting is on. Sometimes, like this particular month, the meeting is going to be on the twentieth—well, it's going to be a different date, it's going to be the twenty-third, and that's kind of early in the month for the meeting, so I'd probably, I'd say if we got it by the eighteenth—in other words, that Friday would probably be about it. Let's see, red check marks—  
(Harborth and Yancy laugh)

**Yancy:** What are your responsibilities as Director?

**Harborth:** Well, they're quite numerous, and—well, our responsibility has gotten a whole lot more involved since I've gotten on.

**Yancy:** How has it changed over the years?

**Harborth:** Well, we have gotten more, as the financing end of it has gotten so much more complex, and everything—it makes it a whole lot more difficult than it used to be back when we just met, and the REA [Rural Electric Administration] financed the thing, and that was it. Now, we own our own, and I think we made a great step forward doing it.

**Yancy:** Mm-hmm!

**Harborth:** But it's still going into it, and that makes our responsibilities that much greater, and also now with the new—well, I don't know. You probably don't know if you have anything in it about the Guadalupe Valley Development, the one that was just formed.

**Yancy:** Yeah, I've gotten into a little bit of it. I really haven't researched that part of it yet.

**Harborth:** That just was formed in July, and it's only been in effect, we've only really worked—that will involve eventually tele—the—

**Yancy:** Telecommunications?

**Harborth:** Telecommunications, and the water systems right now is the primary, and I think eventually it's going to amount to sewer, garbage and possibly in the woodpecker deal and all the stuff. It's going to become—what I vision here is GVEC is the big circle, and all these little satellites around it that will feed into the Guadalupe Valley Co-op.

**Yancy:** When did you all get into the water supply? Helping the water supply corporations?

**Harborth:** Well, we're just in the financing. In other words, the water corporations got to a point where they were financed by the Farmers Home Administration, which is basically the same thing as the REA. It all comes under the same deal as far as the government is concerned, and by us going into it and borrowing the money, they can't go straight to CFC [National Rural Utilities Cooperative Financial Corporation] and get the money; they have to go through us as a member.

**Yancy:** Oh, okay.

**Harborth:** Now, we're a member of the CFC, and they come through us, and we guarantee the loans, putting up their collateral.

**Yancy:** Okay, you put up the collateral.

**Harborth:** They put up their water system as the collateral, and then we can go get their funds, and the only thing we're doing is guaranteeing that they pay it, and if they don't, well, then we're going to own the water system.

**Yancy:** Okay.

**Harborth:** That's the way I understand the thing, that's the way—(Harborth and Yancy laugh) and the same thing. I'm more interested from my point of view. I'm on one of the water systems, but I have good well-water here, so it doesn't really affect me that much, but I'm more interested in the telecommunications and the dishes and what that's going to involve. I have had more questions on that than anything else. Now, I've heard, I've talked to some of the other directors, and they have had none—but they're where cable is at.

**Yancy:** Yeah, that's right because they can see where the telecommunications and satellite dishes would be.

**Harborth:** See, like David and them out there, and like Melvin Strey and them that are closer into San Antonio, those three directors probably don't have as much as we have. Now we're so—I guess I would say I'm three to four miles from any cable.

**Yancy:** Mm-hmm.

**Harborth:** And we'll never get cable down here.

**Yancy:** oh no!

**Harborth:** It's too sparse, so we would be looking at more like the dishes.

**Yancy:** Mm-hmm.

**Harborth:** And it's going to come to the point where they'll have to supply the thing, just like the dishes, which [are] going to amount to us just like electricity was back in 1936, or when you punched that light button and the light came on, and that's going to be the same thing with the dish. That's what I see.

**Yancy:** What are the week-to-week commitments?

**Harborth:** Well, week-to-week is kind of make sure you get to all your meetings. In my nine years, I think I have missed three: two being in the hospital and one happened on my—I think I was on my wedding anniversary, my twenty-fifth wedding anniversary, my wife and I went on vacation. (Harborth and Yancy laugh) And I missed that one. I think those are the only three I've missed, but week-to-week really—oh, I'd say about once or twice a week, we get phone calls and, it's like a guy—I talked to a guy the other day just that ran into me, and he was—I went down there driving, he sold his house, and he said the house had been vacant; nobody had been living in it. Everything was cut off, he said. "I'll just have to take your word for it—"

**Yancy:** Yeah!

**Harborth:** And he says, "Here I come up, and I gave him a meter reading, and during the six months I didn't live there, there was 640 kilowatts that they charged me." And he said they just

asked like they were the only electric company in town and they knew it, and I kind of brushed that off and let it slide because there was nothing that I could vouch or prove or anything.

**Yancy:** What kind of problem do they contact you about mostly?

**Harborth:** Oh, it's usually something of that nature where there's a—they figure it's a discrepancy, but I think a lot of it is due to the people; when they read their own meters, they made a misreading. Occasionally, it could be a meter fault. I had one customer to find, and I knew him well that—matter of fact, he was a constable out here, so I knew that he was a pretty honest person. And the thing is I've known him for a long time, and he came up with some ridiculous bill of, I don't know, \$700–800 for one month, and he didn't even have an electric stove or any electric water heater. He had butane, and there's no way in the world that he could use, and I called it in and talked to the boys in town, and they went out and checked it that very—matter of fact I drove up there myself. It wasn't very far from here, and I drove up there just to see. Man, there was two GVEC trucks there already, and they changed his meter out and checked it, and, well, they gave him a sheet and told him to fill in every day, to read the meter every day for a month to see what it did. And it cleared itself up, but somewhere there was an error made in the thing. It either got punched wrong or it got read wrong. I think it could be either; it's hard to say.

**Yancy:** Either one. Yeah, it would be easy to transpose numbers.

**Harborth:** Transpose numbers is what I think it was, but those are the kind of calls you get. Other calls we get mostly is on the policy of line extension, where they have, especially with the mobile homes. They come in there, and I think they don't—when they make their applications, they don't give the girls in the office the right information, or they don't know, and it's a lot of guesswork involved.

**Yancy:** Mm-hmm.

**Harborth:** And then all of a sudden, here they come up with a bill that they owe, and then—well, the director's the one that's going to get called, and most of the time we don't even know what the situation is. I haven't been out there.

**Yancy:** Yeah, I understand that.

**Harborth:** But we know where to relay the information to, and they usually solve—we have no trouble getting it solved then. Let's see—

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

**Harborth:** Well, you get a stipend, it's just pay that I could—the way the directors look at it is: it's a day that a director could be doing something else.

**Yancy:** Mm-hmm.

**Harborth:** And in my business, as well as most of the directors in the real estate business, if you're not there, you might miss several thousand dollars' worth of commissions. Something like that could come up, and I know all the rest of them have the same thing, you know. If you're not there to do that, you've got to be doing GVEC's business, and as far as the satisfaction that I get is—I have a lot of people that come to me and say, You all [are] just the tops. Do a good job. Man, we have an outage or something like that, you're right there to fix it up, and that's the satisfaction I get out of it. We had an outage here I know, oh, about a year ago. We had an outage at the Geronimo substation, a snake or something got into it, and it broke, and it was late night, oh, after midnight, but I was still up and everything went black here, and I say, "Something happened." I just said, "I'm just going to drive up the road. It's just two miles up the road." So I drove up the road, and they were already there working on it. They beat me up there, and I tried calling it in, and the line was busy, so I knew that they had a call about it from somebody. That's the satisfaction we get. That's the satisfaction that's the—gripes are from about 5 percent or less. The satisfaction is from the 95 percent—and of course you're not going to hear from the 95 [percent], all of them—but you will hear more satisfaction than gripes.

**Yancy:** Do the Co-op members contact you about policy changes? Which we have already kind of discussed.

**Harborth:** Yeah, not only Co-op members but Co-op employees. Matter of fact, I have one right now I haven't resolved yet, but I need to get together with markets on it and go because we've been in the process over the last two years of updating all of our policies.

**Yancy:** Mm-hmm.

**Harborth:** And they're not in an order where I can go and just pick out what I want. I've got to go and hunt all over. I've got one file drawer-full over there. I've got some upstairs in the attic already stacked away. I've got every file; I've got folders of every meeting I've ever been to.

**Yancy:** Mm-hmm.

**Harborth:** And I just couldn't put my hands on it the way it is. And I would have to have it all before I could really get down—but it was from an employee on the use of sick leave. Which was not a major—I know how I'd ask. Matter of fact, I asked Motorola how they were handling theirs, and I asked SMI, and I know I worked for the government sixteen years, and I was just trying to compare and see what might be resolved. Maybe ours is not exactly in line.

**Yancy:** Mm-hmm.

**Harborth:** But that's the kind of thing you get involved in. Let's see—

**Yancy:** What are the aspirations of the board?

**Harborth:** Basically, it's just to keep going the direction we're going. I think we're doing a great job and we're growing, and it's orderly, and our rates are in line, and I really don't think that we ought to sit still.

**Yancy:** No, that's—

**Harborth:** You've got to—the thing is what a lot of people do, they look—you shouldn't pay too much attention to what you've done, but you ought to be about five years ahead. Thinking ahead, and that's what I think what the board ought to be doing, and I think we are doing it. I've attended, oh, numerous seminars and director updates, and it's, I think, very wise that all directors should do this. You get a whole lot—it's not exactly what they teach you in the course, but by getting around to these meetings and talking to other co-op directors, you really find out how, maybe, how far advanced we are. That's my general opinion of it. I've run into some, I just absolutely don't see how they've run a co-op the way they're doing it. They've tried to argue with us that we—there ain't no way that you can do it the way that you're doing it. Huh! We happen to have—Mr. Bozka and I went to one seminar, Mr. Bozka did the talking, and I had the facts and figures, and between the two of us, we proved the figures to them because I had them with me. (Harborth and Yancy laugh) And you know Mr. Bozka, you've met him already. (Harborth and Yancy laugh) And so you know how he goes at it. He took the bull by the horns; he just needed a little backing, and I was there.

**Yancy:** Other co-ops tend to have very argumentative board meetings, but GVEC doesn't. Is this the mark of a successful enterprise? In your opinion, why doesn't GVEC experience these problems? Relationship of the board with members?

**Harborth:** Well, I can pretty well answer that question. As long as I've been on the board, my eight and some odd years, eight and a third years or whatever it is—every time that the board maybe doesn't come to a complete agreement of what we're doing, we say wait a minute, let's look at this thing again before we make a move. You just don't jump into something, and maybe we haven't got our facts straight, and usually by the time we've got our facts straight, it's usually “yay” or “nay,” and that's it, and it's usually unanimous. I really hardly can't ever recall a vote that wasn't one way or the other. Matter of fact, I was at a—what meeting was that in Austin? TEC [Texas Electric Cooperatives] meeting in Austin, and I happened to run into a director from the Johnson County Co-op. They have seven directors. He says, he was president of the board, said, “I've got three directors sitting on one side, and I've got three on the other side, and if those three vote white, these three are going to vote black, and I'm in the middle, and I've to break the tie.” And vice versa. It's very similar to the city council in Seguin.

**Yancy:** Mm-hmm.

**Harborth:** They do the same thing. They've got a couple of them on there that just, that if one group says one way they're going to vote the other way, and no logic or rhyme or reason. But we

don't do that. We talk it out. Sometimes if you sleep on it and think about it for a while, it kind of clarifies it, and maybe you have to do a little bit more research. We're very fortunate on our management and on—most of the time, the facts and figures are before us already when we have to make that decision, and I think that's what's happened to a lot of other boards. They don't have it. I know of some boards that still come up and argue about whether they're going to buy a Ford or Chevrolet pickup. When it gets down to that point, you're just not going to get anywhere. That's not really that big a deal anymore.

**Yancy:** Mm-hmm. GVEC has good customer relationships; to what do you contribute this good will?

**Harborth:** Well, I think we have good publicity. We have a very good newsletter that goes out. We have good radio and everything and a lot of stations, and we give customers the information, and any time a customer calls in, we—if we can't give them, if somebody can't give them the information, they'll know where to get the information, and we're very open with what we're doing. It's nothing under the table.

**Yancy:** Talking with the GVEC employees, the Co-op seems to be one big happy family. What do you think of using the word family in the book subtitle to describe GVEC?

**Harborth:** I think that's basically what it is. I have every Co-op employee that I know of practically. There's no strife and hatred between them. They get along, and we get along with the employees.

**Yancy:** Willing to help each other? And—

**Harborth:** Yeah! When somebody has a problem, they'll come out and try to solve it for you and vice versa. That's why I say, if they have a question or something, to provide good facilities for them. I don't know of any—I haven't been in a whole lot of co-ops, but I think ours is about as tip-top a shape as any that I know of. And if you have good working conditions, you're going to have good employees. And you know, with 180 employees, give or take a few, you're always going to have a few little rotten eggs in a bucket, but I think they weed them out.

**Yancy:** Mm-hmm.

**Harborth:** They usually weed them out before they get involved.

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

**Harborth:** Basically, what I see in the future of GVEC, it's going to become possibly one of the largest co-ops in the country. I think there's going to be some consolidation, combination—some of these smaller co-ops just are not going to be able to make it.

**Yancy:** Oh no!

**Harborth:** They just won't be able to hold on, not at the rate the country is going, unless there's a complete turnabout of everything. The government and the policies and everything else, and I think that's why we have to stay one step ahead of everything that's going on, and by doing that, we're going to come out alright.

**Yancy:** That's all the questions I have. Do you have anything else you would like to add?

**Harborth:** No, not off hand. I think that it's—like I said, I think it's very important that all the directors ought to be—I believe firmly in the seminars and the certification of directors and also very much the director updates that even the older directors that have been on there a long time. I think that every year or two, a person ought to attend an update or something that—

**Yancy:** To keep in touch with all—

**Harborth:** To keep in touch with other people. They were talking to the state meeting about this, putting it on television, you know, and then sitting and viewing it. A program of something of that nature. And I don't think that would accomplish a whole lot.

**Yancy:** No, that's getting too impersonal. You don't have the interaction.

**Harborth:** The interaction is what counts, and the getting together with the other people. And that's one reason that I like to attend the national [meeting]. Of course, you talk to people from all over the nation, and you really get the feel of what the problems that could exist, and there are problems. I was walking out of that state meeting the other day, and there were two, I don't know if they were managers or directors behind me. I don't even know where they were from. And I know they were from the State of Texas because it was [a] state deal, and they were saying, "And how did you all come out?" And [one] said, "Well, we lost \$100,000 again this month. We're in the red for the year." And I don't see how a co-op like that can exist.

**Yancy:** No, it doesn't.

**Harborth:** They've seven months down the line, and they're running in the red. So something is definitely—I know good and well that they're probably paying higher rates than we are. Something is not effective or—

**Yancy:** Mm-hmm. Something is going wrong.

**Harborth:** That's what I see on the thing. I think that by—a lot of times I don't say a whole lot at these meetings. I don't open my mouth a whole lot there, but I listen and see and hear what's going on, and I think it's very beneficial that the board itself ought to really circulate around and go to various functions and be seen.

*End of interview*