

## Interview with Leon Netardus

**Interviewer: Karen Yancy**

**Transcriber: Karen Yancy**

**Date of Interview: February 20, 1987**

**Location: Mr. Netardus's Office, Guadalupe Valley Electric Cooperative, Gonzales, TX**

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*Begin Tape 1, Side 1*

**Karen Yancy:** This is Karen Yancy. Today is February 20, 1987, and I'm conducting an oral interview with Mr. Leon Netardus, manager of the business division of Guadalupe Valley Electric Cooperative [GVEC] at Gonzales, Texas.

What year did you begin working for GVEC and what position?

**Netardus:** I started on December 1, 1954, and the position of work order clerk in the engineering department.

**Yancy:** What experience did you bring to GVEC?

**Netardus:** I had graduated from St. Mary's University with a B.B.A. degree with a major in accounting, and after that I had worked for an oil exploration company and a couple of automobile dealerships and in bookkeeping and sales.

**Yancy:** What are your responsibilities as managers of the business division?

**Netardus:** The business division includes billing, accounting, collecting, the print shop, the cash management, and other financial activities, such as financial forecasts and cash management of all types.

**Yancy:** Okay. How has each department in your division grown since you began working at GVEC?

**Netardus:** Well, the general office includes the accounting and payroll and that sort of thing. It is about the same, maybe a couple of more people with more activities, and that includes capital credits. Of course, the data department was not in existence when I came to work here because we didn't have computers, but it was called billing at that time, and all we did was bill electric accounts on the old bookkeeping machines and the ledger sheets, and there was about five or six people in there at that time. We've got about eight or nine now, and we do all the things on the computer that we didn't do before, such as payroll, materials, inventories—

**Yancy:** Mm-hmm.

**Netardus:** —vehicles. We have over nine hundred programs that we run now, and applications are about twenty-five. For example, billing is an application but it takes about 103 or 104 programs to get all of it done. It takes about forty programs to do the payroll.

**Yancy:** Mm-hmm.

**Netardus:** And in addition to that, we have microfilm now that we didn't have—well, more than five or six years ago, and we microfilm all of the consumer records. We also microfilm the other things in the organization, such as accounting records, checks, and personnel files and different things like that.

**Yancy:** Has the energy situation changed the services your division offers? If so, how?

**Netardus:** Yes, we never had a fuel cost adjustment or a power cost adjustment or a power cost recovery factor or any of the other names that they give it until 1973. That started then, and the first one we ever had was in September of 1973. Before that time, the billing was very simple, and the rates were primarily step rates; so many kilowatt hours for so much money. Twenty-five [kilowatt hours] was the first step, [and] then we had fifty kilowatt hours, then a hundred kilowatt hours, five hundred, and that sort of thing. Now, of course, we don't have steps. We have a customer charge and a flat rate for kilowatt hours—it was easy to calculate rates in those days. Revenue and that sort of thing was cost of power. Now, if we have the fuel cost adjustment, the power cost adjustment and the power cost recovery factor, it's very difficult to calculate. You have to separate all of that out—the rate revenue and the power cost adjustment revenue and the power cost recovery factor now—and according to the different ways of the utility commission has ordered us to call the doctor, it's been a great deal more work for us. It's become a large part of the revenue, and it is much more difficult to bill people. It's much more difficult to explain bills, and I get complaints that are more relevant because they see an additional charge on their bill a lot of times. Sometimes it's a credit, but they don't ever say anything about that, they always talk about the high bills.

**Yancy:** What would describe as your most important accomplishments? What changes have you implemented, and how successful have they been?

**Netardus:** Well, I think in the business division, the integration of the computers into our daily activities. Now, this is the larger computer, in the billing area, but when we first put the computer in, I was not involved with that until a later time. I wasn't involved actually as a business manager until 1973, and we had only the calculating and printing the bills on the computer. Now, we have all these other applications, which the computer can do so well. I think integrating all that activity has been a lot of the major improvement of the efficiency of the Co-op because we can do so many more things, and if we didn't have it then, we would have to hire a great number of more people to even keep up with the work. Also another accomplishment has been the microfilm; well, I think it's a very good system, which I'd like to show you. We have

over four thousand pieces of paper coming in to the data department every month, so we microfilm that, and we destroy everything except the original documents of contracts, membership forms and that sort of thing. We keep those until the account is disconnected for a certain length of time. That was a result of our General Manager Doyle Hines. He contacted some other co-op people that had microfilm, and we studied it and looked at theirs, and then we got ours. We've got a system, I think, that it ten times better than theirs, and it's working real well. In the first go-around of microfilming, to catch up, we emptied thirty-seven file cabinets.

**Yancy:** Um.

**Netardus:** We were about to run out of space to put file cabinets when we did that. Now we have all those things in two cabinets that take up the space of about three of the other cabinets. The third thing is just the more recent one, and that's cycle billing. That is, prior to cycle billing, we dropped all thirty thousand bills in the mail on the last day of the month. So they all went out through the post office at the same time, the people all got them, they all started paying them at the same time, and all three offices—we had a terrible crush between the first and tenth of all of the month. The final due dates were the fifteenth. There was a terrible crush then; we had to get the payments all punched into the computer. We did that on the night of the fifteenth, when we got through, and then we could send a delinquent letter the next day because we have to send them ten days' notice before we can disconnect for non-payment, and when you give them sixteen days to pay their bills and then ten more days and include the weekends, you don't have many days left in the month to collect before they get another bill. So, again at the urging of our General Manager Doyle Hines, who had seen it working in other places, we studied cycle billing for about three years and talked to other co-ops and organizations that had cycle billing, and then in November of 1986, we did our first change over, and we gradually eased into it so that now we have four cycles, approximately of equal amounts, about nine thousand and some odd bills each week. We have four cycles, and each cycle is billed on a Monday. In other words, the first Monday of the month we mail out cycle one, the second Monday cycle two, and so forth. That has leveled out the workload for the billing on the computer, for the receiving of the money, and all three offices of cashiers, and also as a side benefit, the banks are less piled up with work at certain times, and the post office has been very grateful that we drop in nine thousand bills instead of thirty thousand bills. They have more time to get them out. It has caused some problems with our members who wanted to pay at a certain time, but generally we have been able to work things out. If we don't read the meter, if they read their own meter, we just change the cycle to whatever they want. If we read the meter, we don't change the cycle because we have them set up in a meter reading booklet—

**Yancy:** Mm-hmm.

**Netardus:** And a route and we don't want to change that and have them moving all over the country reading meters. Since we read the meters in the incorporated areas that we serve, in town, we read about four thousand meters. It hasn't been a real big problem. We can even

change those if they'll agree to read their own meters. We'll say, If you'll read your own meter, we'll put you on any cycle you want. And we do have some that we want to do that, very few though. But those three things, I think, were some of the biggest things that we've done.

**Yancy:** People learn from their mistakes. Have you made any mistakes in operating your division? How have these helped you to become a more effective manager?

**Netardus:** Well, I think the mistakes—sometimes we underestimate the interest of our members. Whenever we don't keep them fully informed of what we're doing and why we're doing it, they sometimes get irate, and I don't blame them. Whenever we do everything in our power to publicize what we are doing, such as cycle billing or some other changes, generally we get good response. There are some that don't appreciate it, but not too many. The other mistakes that I can recall would be internal and organizational and handling employees and generally, sometimes hiring was underplayed or they were problems later on and you had to get rid of them, or some inherited employees [that] would have problems developing and you don't want to get rid of them because they've been there a long time, and you have to work around it very, very hard all the time. Supervision is the hardest part of any job that we do.

**Yancy:** In your opinion, what makes GVEC distinctive?

**Netardus:** I think the main thing has been the management, the goals and objectives of the management. The board of directors has always been very supportive of most types of ideas and the—I think the main thing is that the Cooperative is consumer-oriented, member-oriented. Whatever we do, we do for the consumer. Whenever we consider a change, we always figure out how it's going to affect the consumer, and we are always trying to do things to help the consumer. For example, we have seventeen banks where members can pay their bills; we have three offices, and all of them have drive-in windows for convenience if they come see us; or they can pay by mail. We provide them free envelopes if they'd like to have them. We urge them to take the free envelope. I know some cooperatives that don't have a drive-up window, they don't have any district offices, and they won't let anybody pay it at the bank. The only way they can pay it is by mail or in person. Now, they're bigger co-ops than we are. That is not taking into consideration the member as well as it should be because they are not there to help the consumer as much as we think we are. I think the main thing is that everybody wants to direct their work toward serving the members. That's a distinctive kind of idea, in addition to the fact that I think we have superior management abilities.

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

**Netardus:** That's a hard one because I look back at all the changes that have been made, and it's hard for me to realize what's going to happen in the future, but I think that some of things in our area that we are going to have is the automatic bank transfers. We'll notify the consumer's bank, and we'll automatically take it out of their account and put in our account for the bill; people

won't even have to worry about it. I think we'll have telecommunications that will allow us to read meters from the office. We are already doing that with about two hundred accounts, but we would be doing on all of them. We won't require meter readers as such. We can do it rapidly, and also I'm looking forward to the electronic ability to connect and disconnect the meter without leaving the office or having to send a lineman out there to actually physically disconnect the service. It would save us a great deal of time and effort and money. I think that we'll have probably two-way communications, like telecommunications between us and the consumer, and of course, I think load management is going to play a big part in our future and in the billing part of it. If we give them a financial break in their rates, if they allow us to recognize this, that we are going to have to make a different rate between those accounts and the other accounts, and I think that simply we have power to do that very easily. We could do that today, but it will come in the future. Also, I think we will probably pay all of our bills by bank wires. We're doing a lot of our money matters by bank wires now. It's become very, very common; quite often, we bank-wire our investments to suit ourselves, and when they mature, they are bank wires right to our bank, and we'd be paying our bills, like the power bills and other large bills especially by the bank wire instead of having to mail the check. Or in the case of the power bill, we drive it up to the LCRA and to the GBRA because it amounts to \$250,000 for us to make [the] Guadalupe Blanco River Authority run and probably \$1.5–2 million for the Lower Colorado River Authority run, and with investment rates, you could continue to have someone drive over there and hand them the check rather than drop it in the mail. You would wonder if it's going to get there.

*End of interview*