

ELECTRIC CO-OPS VITAL TO A RURAL ECONOMY

BY REG RUDOLPH GENERAL MANAGER

Many companies like to expound their commitment to their customers but really don't measure up to the accountability standard that it requires. Commitment is more than a marketing slogan.

To electric cooperatives like San Isabel Electric Association, you are not a customer. You are a member-owner. That's the big difference between a cooperative and other utility business models. Being locally-owned, governed and committed is an accountability standard that requires transparency and delivering the results you, the member-owner, expects. It's about service, not profit.

Since electric co-ops emerged, we have provided more value than just supplying power and electricity. Electric co-ops emerged from a national effort to electrify rural areas during the 1930s through the 1960s. In the mid-1930s, only 10% of rural American homes had electricity, a number that grew to 90% by 1953 and ultimately to 99% today. Electric cooperatives provided the necessary access to electricity that was vital for rural economic development, increasing the productivity of traditionally

rural industries like agriculture and resource extraction and supporting the diversification of rural economies into other activities, such as manufacturing, services, health care and technology.

A new report on the nationwide economic impact of electric cooperatives shows that America's electric cooperatives have played a vital role in the U.S. economy. According to the report, "America's electric cooperatives contributed \$881 billion in U.S. sales output, \$440 billion in gross domestic product, \$200 billion in labor income, \$112 billion in federal, state and local tax revenues, and supported an average of nearly 612,000 U.S. jobs on an annual basis" between the years 2013 and 2017. "The Economic Impact of America's Electric Cooperatives" was conducted by FTI Consulting and commissioned by the National Rural Electric Cooperative Association and the National Rural Utilities Cooperatives Finance Corporation.

Today, electric cooperatives continue to provide more than just power and access to electricity. They are locally engaged in their communities, drive economic activity



REG RUDOLPH

and foster community development. These benefits extend beyond their direct employment, spending and investments, and they ripple throughout the economy, creating economic value for communities, regions and the country.

Electric co-ops are also active in other services that promote economic development, including helping to expand broadband access and other rural infrastructure needs.

Closer to home, San Isabel Electric has carried out the cooperative mission in southern Colorado since 1938.

Southern Colorado is where you, our member-owners of the company, live and you are why the cooperative exists. The economic value created by San Isabel Electric accrues to the region and specifically to the members the cooperative serves. When San Isabel Electric talks about the co-op's commitment to the community, we are talking about what we've created together. We should all be proud. It's paying off.

POWERFUL CONNECTIONS

The economic impact of America's electric cooperatives

Supported

611,600

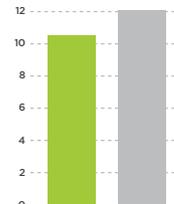
American jobs.

- 165,800 direct jobs
- 170,900 indirect jobs
- 274,900 induced jobs*



*Jobs that are created as a direct or indirect result of the work electric cooperatives do.

Taxes in billions of dollars



Generated

\$22.5 billion

in federal, state and local taxes.

- \$10.5 billion in federal tax
- \$12.0 billion in state/local tax

Contributed

\$88.4 billion

to U.S. GDP, including

\$40.4 billion

in labor income to American workers.



Source: Information based on 2017 reported data collected by the National Rural Electric Cooperatives Association.

New Materials to Reduce Power Outages

Coming to a neighborhood near you

New switches, materials and equipment will help increase power reliability across SIEA's service territory. 

BY PARIS ELLIOT, MANAGER OF COMMUNICATIONS



Before next winter, San Isabel Electric members from the New Mexico state line to Walsenburg will experience fewer and shorter power outages.

The increased power reliability is due to new materials being installed in several construction projects scheduled to begin this spring or to be completed before winter.

The new materials include switches and re-closers that can help isolate problems and restore power faster; transformers that have upgraded lightning and ground fault protection; new poles; higher-capacity underground line; and aluminum steel-core reinforced overhead wire.

The new materials and equipment will better tolerate storms and other causes of outages and help the co-op locate outage causes more quickly. New construction techniques and modern materials will make the upgraded equipment last longer than the old equipment. And because the upgraded equipment will be brand new, there will be fewer outage-related repair costs and maintenance costs, which helps ensure steady rates for member-owners.

The rebuild projects are part of the co-op's long-term strategy to keep operational costs down and ensure steady rates for many years to come. San Isabel Electric member-owners have only experienced one rate increase in the last decade. The co-op has said it does not anticipate any rate increases in the near future.

The co-op is not anticipating any outages during construction of any of the upgrade

projects. A brief outage, lasting fewer than five minutes, will be necessary after construction is complete on each project to switch members from the old equipment to the new equipment. Members will be notified in advance before the outage.

Cuchara Valley & Panadero upgrade project (800 members affected)

More than 6 miles of underground line running to the Cuchara and Panadero areas will be replaced, beginning in May. This has been a multiyear project. The old underground line has caused numerous outages in the area and has reached the end of its usable life. There will be some minor detours in these areas. Detour information and maps will be regularly updated at siea.com/CucharaValley. Construction is expected to be complete before winter 2019.

Trinidad to Burro Canyon upgrade project (1,400 members affected)

Everything from the ground up in the 12-mile section of line running from Trinidad to Burro Canyon will be upgraded. Since 2017, the co-op has completed a 74-mile upgrade on its main 69-kilovolt transmission line that runs from the Pueblo area to Trinidad. The rebuild of the last 12-mile section, from Trinidad to Burro Canyon, is the last phase of the 69-KV upgrade project. Construction will begin in May and is expected to be complete before winter 2019 from Trinidad to Starkville. Construction will resume in the spring of

2020 from Starkville to Burro Canyon and is expected to be complete by winter of 2020. More information about the Trinidad to Burro Canyon upgrade project is available at siea.com/BurroCanyonUpgrades.

Rural Trinidad east of I-25 upgrade project (300 members affected)

In January of 2019, construction for a complete ground-up upgrade began on the 8-mile section of line between Highways 160 and 350 in eastern Las Animas County. In addition to reducing the frequency and length of outages, the project will also increase capacity and provide redundant power to the surrounding areas. This project is expected to be complete before summer of 2019. More information about the rural Trinidad upgrade project east of Interstate-25 is available at siea.com/TrinidadUpgrades.

City of Walsenburg upgrade project (3,268 members affected)

The upgrades to the city of Walsenburg's system are expected to be completed in early 2020. In 2013, San Isabel Electric began upgrading Walsenburg's old system with the new modern materials. In July 2017, a full-time crew was dedicated to the project and others as needed. More information about the Walsenburg upgrade project is available at siea.com/WalsenburgUpgrades.

More information about all of San Isabel Electric's upgrade projects, including interactive maps and frequently asked questions, is available at siea.com/system.

TO ENTER, PAY
YOUR BILL WITH



**\$80 BILL CREDIT
FOR 80 MEMBERS**

FOR MORE DETAILS,
VISIT SIEA.COM/80.



BEHIND THE DESK

Featuring San Isabel Electric's accounting team

Whether it is out in the field or behind the desk, San Isabel Electric has a dedicated staff willing to work hard and diligently to help San Isabel Electric members and each other. Behind the desk, Susan Reed and Dolores Gomez are two staff members who represent the accounting department at San Isabel Electric.

Who are these accounting personnel?

Reed is a singer, state traveler, college attendee, expert money handler and an overall light spirit. Reed makes sure that everything within San Isabel Electric is working smoothly financially. She pays the electric co-op's bills, ensures that the co-op is receiving the right payments, confirms correct sales tax additions and makes sure everything is paid on time and fully.

Gomez is a mother of three, has six sisters and four brothers, is outdoorsy and is an account balancing guru. Gomez handles the general ledger at San Isabel Electric, which is an account or record used to sort and store transactions. She also processes payroll for all the staff at San Isabel Electric.

How did they get here?

Reed supervised a student whose mom worked for San Isabel Electric. The student's family decided to move to New Mexico, so Reed interviewed and filled the position as an accountant. She has worked for San Isabel Electric for 14 years.

Gomez had a friend who worked for San Isabel Electric and received a promotion. She told Gomez about the vacant accountant position, and so Gomez interviewed and was hired on the same day. She has been working for San Isabel Electric for 24 years.

Both women report to San Isabel Electric's chief financial officer, Ryan Elarton.

The importance of accounting

According to Reed and Gomez, everything affects accounting, from the time San Isabel Electric's staff put on their time sheet to the payments



▲ Susan Reed



▲ Dolores Gomez

made to go out and purchase food, the tax implemented and any money that is spent at the local electric cooperative.

Money that comes in, money that goes out, payroll and reporting are all crucial within the accounting department. Everything must balance, be paid in full and paid on time to put San Isabel Electric in good standing with its members.

Advice for SIEA scholarship

recipients and anyone interested in working for a cooperative

Reed states that this is not just a job, but a mission; everybody who works at San Isabel Electric believes in what they all do and stand for. Gomez adds that if anyone ever gets the chance to work at a cooperative, they should take advantage of that opportunity because of the caring, family-oriented work environment.

Most of all, Gomez and Reed urge scholarship recipients to take the opportunity to learn, grow and fight for their dreams. Furthermore, if any one of them has any questions about accounting or are interested in the accounting field, they can contact SIEA's accounting team to get additional information.

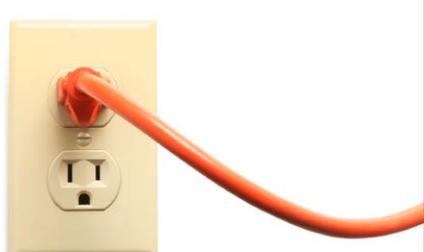
May 2019

Energy Efficiency

Tip of the Month

Avoid placing items like lamps and televisions near your air-conditioning thermostat. The thermostat senses heat from these appliances, which can cause the A/C to run longer than necessary.

Source: energy.gov



Extension cords should not be used as permanent solutions. Contact a licensed electrician to install additional outlets.

Safety starts with you.

MAY IS ELECTRICAL SAFETY MONTH