

HIGHLINE ELECTRIC ASSOCIATION

The Beacon

FEBRUARY 2020



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facebook.com/HighlineElectric

Our mission is to provide our members with reliable, high-quality electricity and other needed services, which will improve their economic and social well-being and provide significant long-range benefits for our communities, our state and our nation.



HIGHLINE ELECTRIC ASSOCIATION
IS AN EQUAL OPPORTUNITY
PROVIDER AND EMPLOYER



Touchstone Energy®

THERE IS A COOPERATIVE DIFFERENCE

BY DENNIS HERMAN GENERAL MANAGER



DENNIS HERMAN

I want to say thank you to the membership of Highline Electric Association for the support you continue to give your electric cooperative. We underwent several changes within the last years, and the new year promises more of the same.

One of the changes we're facing this year is an update to Highline's rates. While we strive to keep your rates as low as possible, there are times when it is necessary to modify the rates to keep your cooperative financially sound. Highline's board voted to increase retail rates to our members by an average of 1% effective January 1.

It's necessary to go back a few years in order to understand the need for this rate increase. In 2013, Highline experienced strong margins and, at the same time, we were anticipating substantial future wholesale rate increases from Tri-State Generation and Transmission Association (Tri-State). With the approval of our major lender, the Rural Utilities Service, Highline Electric's board voted to defer \$1.2 million of 2013's revenue to be used in future years. Then 2015 was another strong year and again the board and management of Highline Electric received approval from RUS to defer another \$800,000.

The anticipated increases from Tri-State came with an increase of 3.4% in 2016 and an increase of 4.3% in 2017. Wholesale power costs from Tri-State account for between 72% and 76% of Highline's total expenses on an annual basis. Highline

responded to these wholesale rate increases by increasing retail rates by 3% in 2016 and 2% in 2017, which led to the rates we have in place today. In addition to the rate increases, Highline utilized \$300,000 of the \$2 million we deferred in 2018 in order to meet our financial requirements.

While it's too early to tell exactly where we will end 2019 financially, we do know that weather and economic factors will lead to Highline's lowest kilowatt-hour sales in the last decade. As a result, we anticipate utilizing \$1.5 million of the remaining deferred revenue in 2019. With this recognition, we are left with \$200,000 in our deferred revenue account. While our 2020 budget anticipates utilizing the remaining \$200,000 in deferred revenue, it is not enough to meet our financial covenants without a rate increase.

Including this rate increase, Highline has raised rates a total of 6% since 2015 compared to the 7.7% that Tri-State has increased wholesale rates. This indicates that Highline may need another rate increase in 2021, but we will wait to make that determination at the end of 2020. I assure you that the management and board of Highline Electric understand the economic hardships our members are facing and don't take rate increases lightly.

83% of electric co-op consumer-members have positive opinions of their local electric co-op.

Co-op Connections Card — Local Business List

As a consumer-member of Highline Electric, you're eligible for discounts through our Co-op Connections program. The following is a list of local businesses that participate in the Co-op Connections program. For an up-to-date listing of local and national offerings, go to Highline's website at www.hea.coop and click on the "Co-op Connections Card." Questions? Call 800-816-2236 or email jheath@hea.coop.

Company	Location	Discount or Offer
Baja Tacos	Sterling	One free large drink with purchase of \$2.00 or more
Big B's Bar and Grill	Ovid	10% off ticket
Brewed Awakening Coffee & Bake Shop	Holyoke	10% off entire order
Cattleya Floral	Sterling	\$5.00 off cash & carry purchase of \$30 or more
Colorado Popcorn Company	Sterling	Buy one large popcorn, get one free! Any flavor.
The Dutchoven Smokehouse and Steak Co.	Haxtun	Free drink and 4oz side with purchase of regular BBQ Sandwich
Fiberspace	Sterling	10% off yarns, beads and books
Furniture Mart	Sterling	5% off in-store purchases plus 12 month interest free financing available every day and other promotions
Grease Monkey	Sterling	10% off invoice
Happy Tax	Northeastern Colorado	FREE Consultation; 10% off Year 1 tax preparation
Holyoke Veterinary Service	Holyoke	15% off small animal services
Holyoke Fitness Club	Holyoke	20% off ANY Membership
JayDee's Photography	Sterling	40% off family portraits
Johnson Chiropractic P.C.	Sterling	Free Biofreeze pain relief applicator on initial visit
Journal Office Supply	Sterling	10% off all purchases - does not include sale or special price items
Julesburg Family Market, Inc.	Julesburg	5% off on Tuesdays <u>only</u> - excludes sale items, tobacco/cigarettes, lotto and hardware
Main St. Gifts & Baskets	Sterling	20% off all gifts excluding gourmet food & CME items
Partylite Gifts, Kala Yost - Consultant	Holyoke	10% off all orders over \$40.00
Scholl Oil & Transportation Company	Holyoke	\$3.00 off a full service oil and filter change at Scholl Service Center at 625 E Denver St.
The Country Rose	Haxtun	15% off floral arrangements and plants, must present card in person
Walker Pharmacy	Sterling	10% off gift and over-the-counter items
Wolf Auto Center Sterling LLC	Sterling	10% discount on parts & service
Zoe's Nook	Sterling	15% off entire ticket

YOU ARE INVITED TO HIGHLINE ELECTRIC'S 2020 ANNUAL MEETING

Highline Electric Association's 2020 annual meeting is fast approaching. This will be Highline Electric's 82nd anniversary. The meeting will be **Tuesday, March 24, 2020**, in the Phillips County Event Center at the fairgrounds in Holyoke.

A meal will be provided. Doors open at 5 p.m. for registration and the meal will be from 5:30 to 6:30 p.m. The business session will begin promptly at 6:30 p.m. You must be present to win one of the many door prizes, plus those in attendance will receive a gift.

Board president Mike Bennett and General Manager Dennis Herman will give their reports on the condition of the association.

An election will be held for three director positions. These positions require the nominees to be a member of Highline Electric and comply with Article III, Section 3 of the association's bylaws.

There will be two director positions from District 1, and the nominees must reside in Logan, Weld, Washington or Morgan County, Colorado. The incumbent directors for this district are Brad Stromberger and Pam Stieb

There will be one director position from District 2, and the nominee must reside in Phillips or Yuma County, Colorado. The incumbent director for this district is Aaron Sprague.

Petitions to nominate a director are available at all Highline Electric offices. Anyone nominated for a board of directors' position must comply with all the following rules:

1. The person nominated must comply with Article III, Section 3 of the bylaws, a copy of which may be obtained from any Highline Electric office.
2. A minimum of 15 signatures is required for nomination. Each member signing the petition must reside in the same district as the person being nominated.
3. Only members of Highline may sign said petition. If the membership is in joint tenancy, only one tenant may sign.
4. Circulators of said petition should attempt to verify the correctness of the name and address of each signer and must require that the signature take place in the presence of the circulator. The circulator should sign the affidavit at the end of said petition and have the affidavit notarized before submitting to Highline Electric.
5. All petitions must be received at Highline Electric Association, 1300 S. Interocean, Holyoke, CO 80734 or P.O. Box 57, Holyoke, CO 80734 on or prior to February 7, 2020.



Final Call for **Scholarship Applications**

ATTENTION HIGH SCHOOL SENIORS:

Have you finished your scholarship applications? The deadline for the Basin Electric Power and Tri-State Generation and Transmission and HEA combined scholarship is at 12 p.m. on February 14 at the Holyoke office. Applications can be found at www.hea.coop.



February 2020

Energy Efficiency

Tip of the Month

**Are you using your fireplace efficiently?
Remember to turn down the thermostat
when burning a fire, and close the damper
when a fire is not burning.**

Source: energy.gov

Anniversaries

Congratulations to the following employees who observe an employment anniversary in February:

Tom Kropp.....31 years
 Bob Bradley.....23 years
 Dan Kafka.....21 years
 Deanna Deselms.....17 years
 Joanie Groshans 12 years
 Derek Roberts..... 11 years
 Casey Krening..... 5 years
 Seth Baker4 years
 Karson Harryman 3 years
 Morgan Eurich..... 3 years

Years of Service Awards

At the annual Christmas party, Highline Electric recognized the following employees for their years of service to the association:

5 Years
 Alex Astley

10 Years
 Derek Roberts

15 Years
 Robie Adams
 Jeff Poe
 Steve Deaver

20 Years
 Barb Holtzman
 Dan Kafka

30 Years
 Tom Kropp
 Jill Baumgartner

The following board member was also recognized:

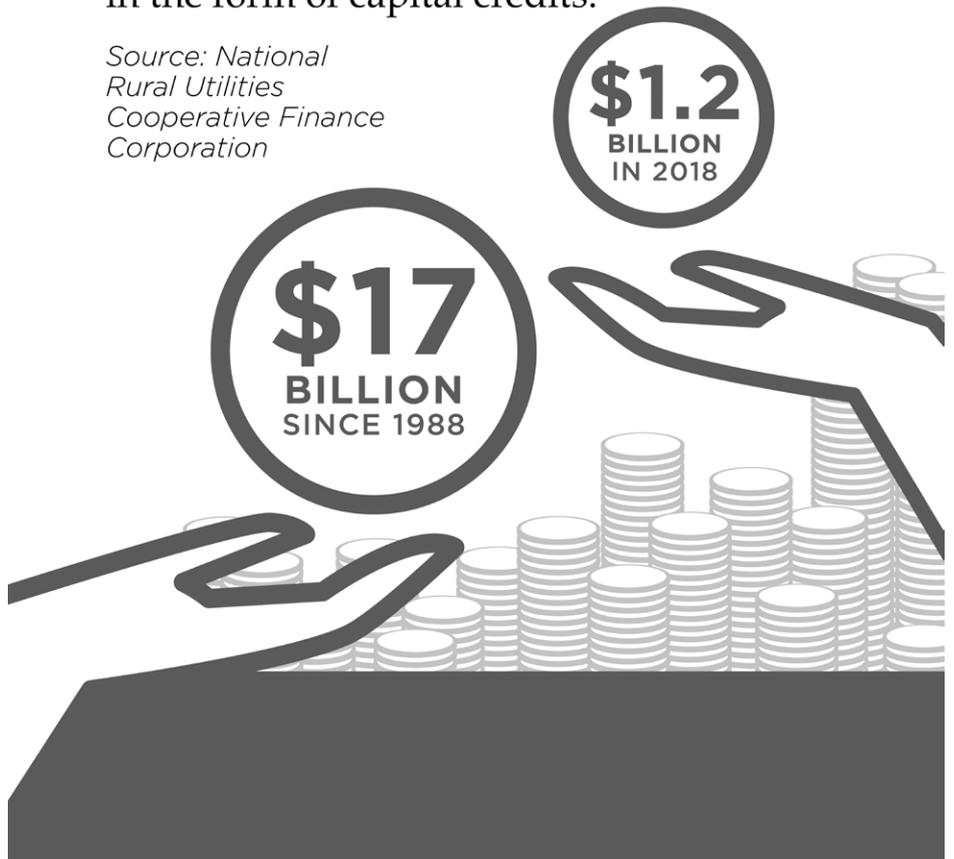
25 Years
 Jim Lueck

Did You Know?

Electric cooperatives have retired \$17 billion to members since 1988 – \$1.2 billion in 2018 alone.

Because electric co-ops operate at cost, any excess revenues (called margins) are allocated and retired to members in the form of capital credits.

Source: National Rural Utilities Cooperative Finance Corporation



DAYLIGHT SAVING TIME BEGINS ON MARCH 8, 2020