

More Than 80 Years Later, You Still Have the Power



MESSAGE FROM
GENERAL MANAGER AND CEO DEBRA COLE

IT'S BEEN MORE THAN 80 YEARS SINCE THE RURAL ELECTRIFICATION program began. To survive—and even prosper—over that period of time takes considerable strength. The fact that electric cooperatives are alive and well today speaks volumes of the many people who have protected the rights and interests of co-op members in Austin and Washington, D.C.



MICHAEL BODMANN | ISTOCK.COM

Electric cooperatives have offered consumers a real choice from the day our doors first opened. Members get to decide how the business is run and what services are offered. Under the watchful eye of locally elected boards of directors, electric cooperatives focus on delivering high-quality, reliable and affordable service every day to the people and businesses they serve. Your cooperative still is committed to making a difference.

While your cooperative works to keep electricity affordable and reliable by improving the efficiency of its electric system and operations,

considering new resources, and staying politically active, you can do your part by using energy efficiently at home and work. **Here are a few easy ways to trim your energy use:**

- ▶ Caulk or weatherstrip windows and doors. A typical home can lose as much as one-third of its conditioned air through leaks.
- ▶ Install a programmable thermostat and change filters regularly. About half of your electric bill is spent heating and cooling your home.
- ▶ Wash clothes in cold water.
- ▶ Wash only full loads of dishes and clothes. 19155000
- ▶ Add more insulation in your attic. Your home can lose energy through a poorly insulated roof or walls.
- ▶ Turn off lights, appliances and electronics when not in use.

Life may be dramatically different from what it was 80 years ago, but one thing hasn't changed: HILCO Electric Cooperative is here to serve you and the communities we serve.



BOARD OF DIRECTORS

- Joseph Tedesco, President, District 4
- Bill Allen, Vice President, District 5
- Janet Smith, Secretary-Treasurer, District 7
- Leroy Huff, District 1
- Margaret Hill, District 2
- George Thiess, District 6
- Ron Roberts, District 3

Operating in Dallas, Ellis, Hill, Johnson and McLennan counties

GENERAL MANAGER AND CEO

Debra A. Cole

COOPERATIVE OFFICES

Itasca Headquarters

115 E. Main St. • P.O. Box 127
Itasca 76055
(254) 687-2331, 1-800-338-6425

Midlothian

300A Silken Crossing, Midlothian 76065
(972) 723-2900

Whitney

4581 FM 933, Whitney 76692
(254) 694-5237, 1-888-850-6551

Elm Mott

298 S. Connally Drive, Elm Mott 76640



CONTACT US

For information during office hours and outages after hours:

CALL US

(254) 687-2331 local or
1-800-338-6425 toll-free

EMAIL

hilco@hilco.coop

FIND US ON THE WEB

hilco.coop

What's Happening at HILCO Civic & Event Center?



2018 Fun Run Benefiting Electrify Haiti

0.35K Run or Walk

Saturday, September 8

Race begins at 10 a.m.

For more information, call 1-888-321-8708 or visit hilcocivic.com.



September Bulletin

September 8

Itasca

2018 Fun Run

HILCO Civic & Event Center

1-888-321-8708

hilcocivic.com

September 8–9

Itasca

All Tex Gun Show

HILCO Civic & Event Center

Saturday, 9 a.m.–5 p.m.

Sunday, 9 a.m.–4 p.m.

\$7 entry, 12 and under free

September 29

Waxahachie

Bridges Bands and BBQ Bash

Ellis County Expo Center

10 a.m.–6 p.m.

Free admission and celebrity appearances. For more information, visit bridgestf.org.

Gun Show

ALL TEX GUN SHOWS

Two-Day Event!

September 8–9

Saturday 9 a.m.–5 p.m.

Sunday 9 a.m.–4 p.m.

\$7 entry fee; children 12 and under free

For more information, call 1-888-321-8708

BILLING SCHEDULE

Payments are due by close of business at 5 p.m. on the due date.

CYCLE 1

Billing Date September 4

Due Date September 20

CYCLE 2

Billing Date September 11

Due Date September 27

CYCLE 3

Billing Date September 18

Due Date October 4

CYCLE 13

Billing Date September 19

Due Date October 4

CYCLE 4

Billing Date September 25

Due Date October 11

RACING to the TOP

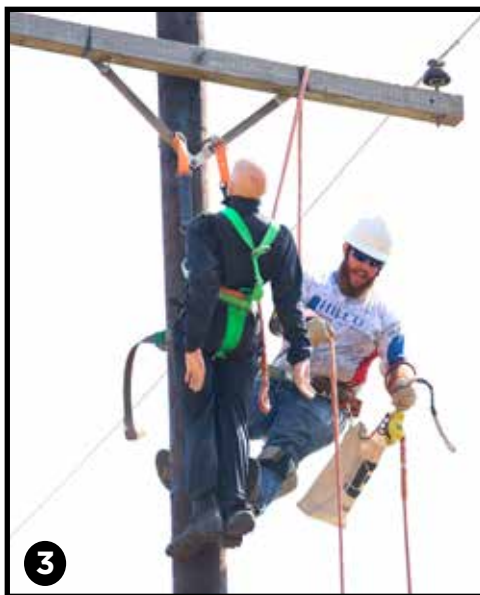
ELEVEN LINEMEN, FIVE JUDGES AND ONE BARBECUE TEAM FROM HILCO ELECTRIC

Cooperative joined hundreds of linemen from across the state in scorching heat to compete at the 22nd annual Texas Lineman's Rodeo in Seguin on July 21.

Restoring power in emergency situations is just one of the many daunting scenarios linemen face on the job. Applying those same safety practices and skills in competitions like the Texas Lineman's Rodeo allows linemen a chance to display their prowess and claim bragging rights. One such event is the Hurt Man Rescue, in which time is of the essence. This event requires linemen to gear up, climb a 40-foot pole and rescue a 200-pound mannequin, safely lowering the dummy to the ground quickly and calmly.

Training for a journeyman lineman position requires more than five years of commitment to learning how to safely complete detailed tasks in a potentially hazardous environment. One of HILCO Electric's journeyman teams and one apprentice placed fourth in the overall categories at the rodeo while other HILCO linemen placed in the top 10 in other events.

HILCO Electric was proud to be represented at the Texas Lineman's Rodeo by Derek Allen, Toby Amerson, Tyler Anderson, Mike Grisham, Zachary Hillberry, Kennedy McFarland, Kane Montgomery, John M. Prescott, Austin Seiler, Clayton Thompson and Michael Zamzow. Judges in attendance were Lance Henkleman, Chad Heubner, Jason Patton, Darrell Sulak and Coordinator B.J. Williams. Greg Miller with Trinity Utilities represented HILCO in the barbecue cook-off.





1. Apprentice Tyler Anderson shows off his skills and smile at the rodeo.
2. Linemen John Prescott and Michael Zamzow compete.
3. Apprentice Zach Hillberry conducts the Hurt Man Rescue.
4. Apprentice Derek Allen lowers his dummy during the Hurt Man Rescue.
5. HILCO teams remembered their fallen lineman brother, Brandon Hightower, by placing his boots, hard hat and a team shirt on the cart.
6. Journeyman Clayton Thompson assists his team.
7. Apprentice Austin Seiler works hard.
8. Apprentice Toby Amerson guides ropes in an event.

9. Apprentice Kennedy McFarland totes his gear to the next event.
10. Journeyman Kane Montgomery performs the egg climb.
11. Journeyman Mike Grisham getting it lined out before he begins the egg climb.
12. Judge Darrell Sulak
13. Chief Judge Lance Henkleman
14. Judge Chad Heubner
15. Thomas Cheek, assistant general manager—operations, talks to Jason Patton, judge.
16. Coordinator B.J. Williams

To all HILCO Electric Cooperative members:

Each year, we provide financial information to you. The following graphs and financial information are provided so that you can see where your cooperative stands financially. The financials are reviewed annually by an independent auditing firm. The auditing firm has indicated that the figures contained are an accurate accounting of the cooperative's assets, liabilities and equity.

HILCO staff and the board of directors are committed to continuing to promote the growth of the cooperative while offering reliable and affordable electric service.

Thank you for the privilege of serving our members. If you have any questions, please do not hesitate to contact our office.

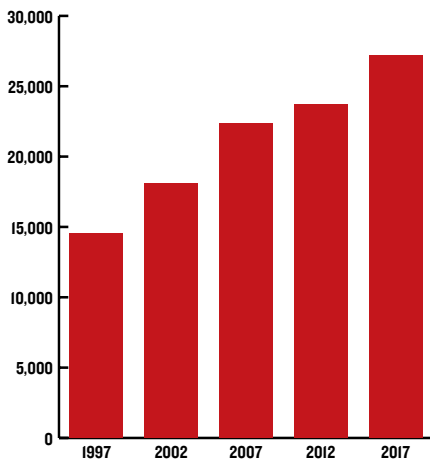
Best regards,

Debra Cole

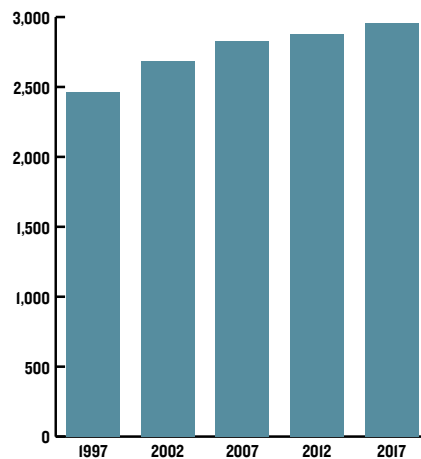
DEBRA COLE

General Manager/CEO

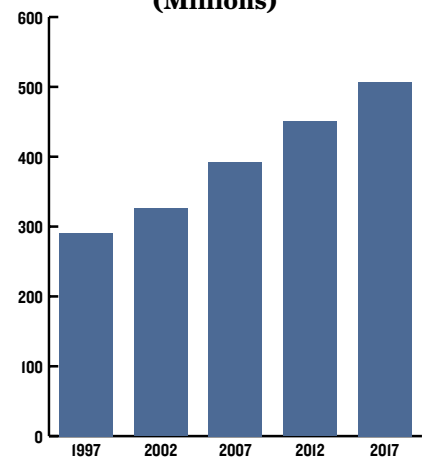
Meter Growth



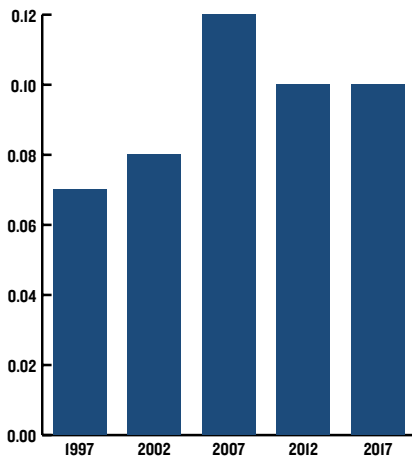
Miles of Line



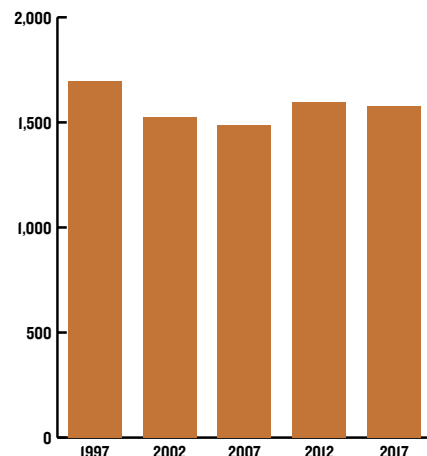
**Total KWh Sold
(Millions)**



**Average Cost per KWh
(Cents)**



**Average Monthly Usage
(Residential KWh)**





**WHERE YOUR CO-OP'S
OPERATING DOLLAR
CAME FROM:**

2016	2017
—Residential—	
73.46%	72.95%
—Commercial—	
25.55%	26.09%
—Public and Other—	
0.99%	0.96%

AND HOW IT WAS SPENT:

2016	2017
—Total Power Cost—	
60.99%	62.39%
—Total Operations—	
21.28%	20.68%
—Depreciation—	
9.47%	9.14%
—Interest and Other Margins—	
8.26%	7.79%

Balance Sheet (Years Ended December 31)

	2016	2017
WHAT WE OWN (Assets)		
Net utility plant.....	\$110,740,689	\$118,213,113
Other investments.....	38,344,232	38,622,303
Cash and temporary cash investments.....	798,285	223,042
Accounts receivable.....	4,036,449	3,088,920
Materials and supplies.....	63,870	92,417
Other current and accrued assets.....	467,305	549,146
Deferred charges.....	<u>2,368,636</u>	<u>2,006,996</u>
Total assets.....	<u>\$156,819,466</u>	<u>\$162,795,937</u>
WHAT WE OWE (Liabilities and Equities)		
Membership fees, patronage capital and other equity.....	\$ 69,529,539	\$ 71,711,671
Long-term debt.....	72,511,558	75,564,190
Accounts payable.....	4,442,614	4,754,523
Consumer advance deposits.....	1,369,263	1,413,343
Other current and accrued liabilities.....	8,006,883	7,953,430
Deferred credits.....	<u>959,609</u>	<u>1,398,780</u>
Total liabilities and equities.....	<u>\$156,819,466</u>	<u>\$162,795,937</u>

Income Statement (Years Ended December 31)

	2016	2017
WHAT WE TOOK IN (Revenues)		
Sales of electric power.....	\$50,380,399	\$53,634,815
WHAT WE PAID OUT (Expenses)		
Purchased power.....	\$29,361,586	\$31,822,207
Operations and maintenance.....	4,329,528	4,432,404
Consumer information and accounts.....	2,954,943	3,153,318
Administration and general expenses.....	2,959,937	2,962,766
Depreciation.....	4,559,399	4,663,465
Interest.....	3,269,614	3,187,632
Other.....	<u>704,502</u>	<u>784,961</u>
Total expenses.....	<u>\$48,139,509</u>	<u>\$51,006,753</u>
Net operating margins.....	\$ 2,240,890	\$ 2,628,062
Interest income.....	201,987	69,373
Capital credits and other nonoperating income.....	<u>2,513,277</u>	<u>2,040,851</u>
Net margins.....	<u>\$ 4,956,154</u>	<u>\$ 4,738,286</u>

Member Statistics (Years Ended December 31)

	2016	2017
KWh purchased.....	533,334,372	531,655,085
Average number receiving service.....	25,931	26,777
KWh sold.....	501,499,360	506,877,815
Miles of line.....	2,939	2,954



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Affordable Strategies for Drafty, Inefficient Windows

IF YOUR HOME IS OLDER AND STILL HAS ITS ORIGINAL WINDOWS, THEY LIKELY AREN'T as energy efficient as they could be. Windows can let in unwanted cold drafts during the winter and heat in summer. Replacing windows can be costly, and it can take 20 years of energy savings to recoup the investment.

If replacement isn't an option for you, you can make significant improvements to your existing windows without investing a large amount of money or time.

Weatherstripping can be used for areas where a window's movable parts meet the window frame. There are a variety of low-cost, easy-to-apply options that can pay for themselves in energy savings in as little as one year. 59697502

The seam between the window frame and the wall is a common source of air leakage. Fill gaps less than 1/4-inch wide with caulk; for larger gaps, use expanding foam and paint over it.

If the windowpane is loose or the glass is cracked or missing, fix it. If you're handy, you can reglaze the window yourself, or hire a local repairman to do the job.

Installing exterior or interior storm windows can sometimes provide as much savings as a full replacement, but they need to be the exact size of your window opening. Studies show that storm windows can cut heating costs by 7–12 percent.

Window coverings also can help. There are many types, including interior roller shades, cellular shades and draperies. Recent laboratory tests showed that cellular shades can cut heating or cooling expenses by 10–16 percent. Cellular shades can be purchased with a lighter reflective side and a darker, heat-absorbing side. Some even can be reversed with the change of seasons.

Draperies are usually less efficient but can provide a level of comfort during winter and summer months. For maximum effect, make sure draperies overlap in the middle, are as tight to the window and wall as possible and run all the way to the floor.

Consider installing awnings or overhangs above windows that receive a lot of direct sunlight. Window films that adhere to the window's surface can reflect unwanted summer sunlight. Solar screens designed to block the sun's rays also can be effective.

Another low-cost measure that can produce as much savings is using a plastic weather barrier that adheres to the frame. Hardware stores sell a clear plastic and framing material that can be shrunk into place with a hair dryer.

Win a \$50 Bill Credit!

As you're reading your *Texas Co-op Power*, look for the hidden account numbers in the HILCO's local pages in the center of the magazine. If it's YOUR electric account number, call us before the end of September —you have won a \$50 credit on your HILCO electric bill!



(254) 687-2331
or
1-800-338-6425



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Power Tip

Look for LED products and fixtures for outdoor use, such as on pathways, steps and porches. Many include features like automatic daylight shut-off and motion sensors.

Retirement Never Looked So Good

Honoring a combined 60 years of service and dedication to HILCO EC



Debra Cole, HILCO general manager/CEO, congratulates Danny Christian on his retirement.

DANNY CHRISTIAN BEGAN HIS CAREER AT HILCO ELECTRIC COOP-erative January 2, 1985, with no cooperative experience. Despite his inexperience, Christian excelled in the field—quickly picking up the procedure for line staking and making every new prospective member feel welcome in the HILCO family.

As those who know him can attest, Christian has a way of making people feel comfortable. Another talent and passion of Christian's revolves around his skill as a pitmaster, which has garnered him a reputation throughout the barbecue circuit as a competitive and worthy opponent. He has won many awards over the past 20-plus years for his smoked brisket, ribs, chicken and pork butt. Rumor has it that Christian has been known to turn in snickerdoodle beans but maybe only once or twice.

"Danny truly embraced the cooperative spirit of helping your neighbor," said Debra Cole, HILCO general manager and CEO. "Danny is always willing to help another person and never expects anything in return. Danny supports the fact that the cooperative is here to serve its members and help whenever possible."

After 33 years of serving HILCO members and co-workers, Christian certainly has earned retirement. Danny, we wish you nothing but the best in the future—but mostly we all hope you won't forget to drop by with some brisket or ribs on occasion!



Thomas Cheek, assistant general manager-operations, and Debra Cole, general manager/CEO, congratulate Don Sanderlin on his retirement.

DON SANDERLIN BEGAN WORKING AT HILCO EC ON JULY 17, 1991. He is a man of few words, but when he does speak, his thoughtful wisdom commands attention. Sanderlin is one of those people who quietly moves along, accomplishing much more than most people ever could.

Sanderlin came to HILCO Electric by way of Alaska, and we often wondered how he managed the climate change. But he would always smile and say, "It isn't that bad." A devoted lineman, Sanderlin never left a job until it was complete and our members were back in service. That commitment is indicative of how Sanderlin has served as an excellent role model for junior linemen—in work ethics and character.

Sanderlin also is a talented carpenter, often sharing his skills when something needs to be constructed for HILCO. His carpentry, just like his line work, is detailed and precise. "From the first time I met Don, I knew he was a man of character," Cole said. "I always knew I could ask Don for honest input on any situation, and that is a truly valuable asset to a manager. I will miss having Don's opinion."

After 27 years of dedicated line work in all types of weather, we are happy that Sanderlin has earned the right to relax, rest and enjoy other aspects of life.