

Be Active in Your Cooperative: Vote

Democratic Member Control: One of the Seven Cooperative Principles that give all co-ops guidance



MESSAGE FROM GENERAL MANAGER AND CEO DEBRA COLE

THE ANNUAL MEETING OF HILCO ELECTRIC COOPERATIVE is easily one of the most important days for the co-op. This is the day set aside for you, our members, to have a voice in the business of the cooperative.

As a member of HILCO EC, each person receiving service should take an active part in the business by attending the annual meeting. This event is not only a chance to visit with members of our co-op community, it's also a great opportunity to learn about programs offered by HILCO Electric Cooperative and get to know your co-op staff. It is also an opportunity for you to exercise one of the greatest benefits of being a member of an electric co-op—voting for the upcoming year's board of directors.

HILCO EC is not owned by faraway investors, and it is not run by an appointed board of directors. We are run by a democratically elected board of directors—a board that is given the privilege to serve because of your vote.

A democratic and open election is one of the many elements that make our electric cooperative stand out from other utilities. You have the right to vote for those who will represent community interests within their electric utility. You have that right, and we encourage you to exercise it!

HILCO's Annual Meeting and Picnic will be held Thursday, September 17, at the Waxahachie Civic Center. Look for your voting ballot on the back cover of this magazine and your picnic registration card in the center of this issue. We look forward to seeing you there!

Mailed ballots will be entered into a drawing to win a \$100 American Express gift card or one of ten \$50 HILCO Electric bill credits.



BOARD OF DIRECTORS

George Thiess, President, *District 6*
Joseph (Joe) Tedesco, Vice President, *District 4*
Janet (Jan) Smith, Secretary-Treasurer,
District 7
Leroy Huff, *District 1*
Margaret Hill, *District 2*
Bill Allen, *District 5*
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, Texas 76055
(254) 687-2331
1-800-338-6425

Midlothian

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

Whitney

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



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



Michna's Bar-B-Que will be serving delicious slow-cooked meats, Southern sides and desserts.

Save the Date: September 17

HILCO MEMBERS, COME ENJOY A GREAT EVENING of delicious food catered by Michna's Bar-B-Que and live entertainment from Gary Fox and his Fox Country Band at our Northern Member Appreciation Picnic and Annual Business Meeting.

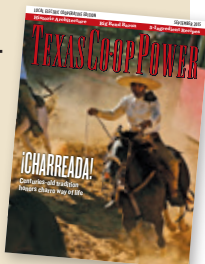
This year's event will be held September 17, at the Waxahachie Civic Center. The doors will open at 5:30 p.m. with dinner at 6 p.m. and the business meeting at 7 p.m. A map to the Waxahachie Civic Center is provided on the registration card in the center of this magazine.

The registration card is good for two complimentary dinners per membership. Additional dinners may be purchased for \$10 each. Fill out the registration and send it in today to reserve your barbecue dinner. Bring the other half of the card with you for a chance to win one of the great prizes.

Win a \$50 Bill Credit!

As you're reading your Texas Co-op Power, look for the "hidden" account number in the local HILCO 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



Power Tip

Periodically inspect your dryer vent to ensure that it's not blocked. This will save energy and may prevent a fire.

SEPTEMBER Bulletin

September 4-6

Westfest

1110 S. Main St., West, (254) 826-5058 or visit westfest.com

September 7

HILCO offices will be closed Monday in observance of Labor Day.

September 12-13

Waxahachie Gun & Knife Show

Waxahachie Civic Center

September 18-20

Antique Alley

Maypearl, Grandview, Itasca and Cleburne. The event features 37 miles of booths, antiques, collectibles, yard sale items and food.

September 19

Oktoberfest

Waxahachie Civic Center

September 26-27

Cotton Pickin' Fair

Hillsboro downtown. Booths, food, family fun

BILLING SCHEDULE

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

CYCLE 1

Billing Date September 1
Due Date September 17

CYCLE 2

Billing Date September 8
Due Date September 24

CYCLE 3

Billing Date September 15
Due Date October 1

CYCLE 13

Billing Date September 16
Due Date October 1

CYCLE 4

Billing Date September 22
Due Date October 8

Linemen Shine at Rodeo

WHEN A SEVERE STORM HITS, linemen must be away from their families for days or weeks at a time to restore power. However, on one special day, linemen from across the state of Texas have the opportunity to showcase their skills in front of family, friends, judges and peers—at the Texas Lineman’s Rodeo at Nolte Island Park in Seguin.

This year, as in years past, our linemen did not disappoint. At this year’s 19th annual rodeo, they brought home a total of four trophies as a symbol of all their hard work and practice.

The journeyman team of Chris Brown, Michael Grisham and Clayton Thompson won third place in the URD bushing change event and took first place in the Insulator Change event.

HILCO’s second journeyman team, with a perfect score, took third place overall in the co-op division, with Lance Henkleman, Brandon Hightower and Kane Montgomery bringing home the trophy. Grisham, a first-class lineman, proved his pole-climbing skills, bringing home a third place trophy in the speed-climbing event.

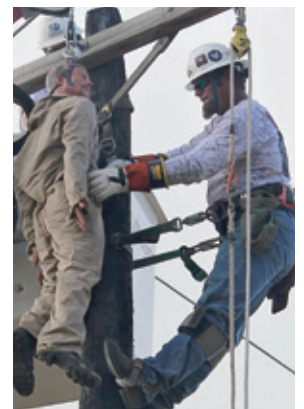
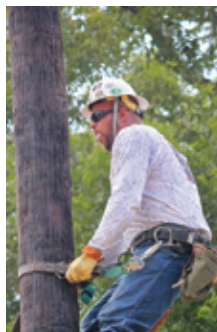
In addition to the two lineman teams, HILCO also sent Chad Heubner, Jason Patton and B.J. Williams to judge the events, and Danny Christian, the co-op’s pit master, to compete in the barbecue cook-off. 147604

“We have some of the most skilled and dedicated linemen around,” said Assistant Director of Operations Travis Sanders. Assistant General Manager—Operations Thomas Cheek also expressed his pride in the team, saying, “Our linemen dedicate themselves every day to providing our members with service that is safe and reliable. It’s great to see them get the recognition they deserve.”

Check out more images of our crews in action on our Facebook page at facebook.com/HILCO-Electric-Cooperative-Inc.



HEC lineme, from left: Michael Grisham, Brandon Hightower, Clayton Thompson, Lance Henkleman, Kane Montgomery, Chris Brown



Co-op Connections Card: By the Numbers

\$ 1 million

saved on prescriptions by
HILCO members since 2007



HILCO Helps Members Save \$1 Million on Prescriptions With Co-op Connections Card

EIGHT YEARS AFTER ITS INTRODUCTION, Touchstone Energy's Co-op Connections card remains a valuable benefit for HILCO members. Since 2007, HILCO members have saved more than **\$1 million** on prescription drugs.

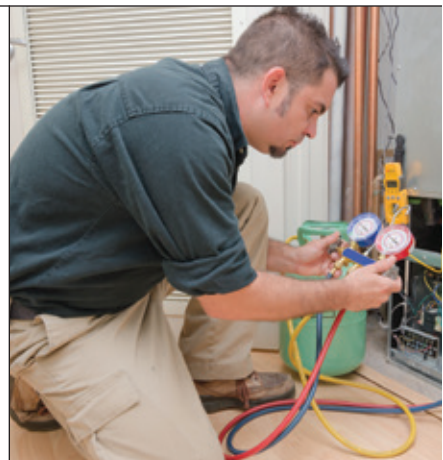
The Co-op Connections card, offered by HILCO Electric in partnership with Touchstone Energy Cooperatives, is a money-saving tool that connects members with discounts on everything from hotel stays to prescription drugs. Members can use their cards to receive discounts at participating local businesses and national retailers. Through the Healthy Savings program, members can also use their cards to save money on prescription drugs and health-care services.

The benefit card is good for discounts at more than **100 local businesses** as well as thousands of national businesses, with more being added all the time. Discounts are available on products and services such as air-conditioning maintenance, dining, shopping, eyeglasses, X-rays and much more.

One of the most significant benefits that the Co-op Connections card offers is the prescription discount, which helps save members money at the pharmacy. With the Co-op Connections card, members can save 10 to 85 percent off prescription drugs at more than 60,000 locations, including national and regional pharmacy chains.

The Co-op Connections card is free to all HILCO members. It does not expire, and there are no hidden fees. Bringing value to our members is one of the strongest ways we can display the cooperative difference.

For more information, call Jill Huggins at 1-800-338-6425, ext. 1142, or to access information online, visit the website at connections.coop. You can also sign up for deals and alerts on Facebook at facebook.com/CoopConnectionsCard.



Tune Up for Fall With Rebates

IT'S HARD TO IMAGINE NOW, with the triple-digit-degree, sweltering days we've had, but cold weather is just around the corner.

Now is the time to take advantage of HILCO's last rebates of the year during September, October or November.

Act now: Once the rebate funds are depleted, there will be no more rebates. Details for these rebates can be found at hilco.coop or by calling Loren Odle at 1-800-338-6425, ext. 1137.

Fall HVAC Tuneup and Maintenance

HVAC tuneup and maintenance helps keep heat pump and central air-conditioning units operating at top efficiency, prevents equipment failure and extends the life of the unit. A tuneup by a service professional can improve unit efficiency by as much as 20 percent. HILCO is offering up to a \$75 rebate for having a licensed contractor perform an HVAC tuneup in September, October or November.

High-Efficiency Heat Pump Rebate

Heat pump unit efficiencies are measured by seasonal energy efficiency rating, or SEER. HILCO members who replace their existing HVAC equipment or install an eligible high-efficiency heat pump during home construction may be eligible to receive a rebate of \$100 to \$200, based on the heat pump's efficiency.

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.

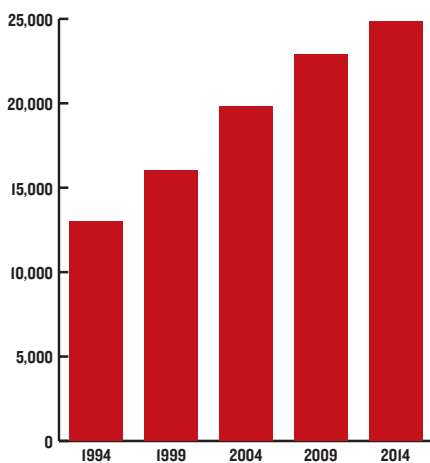
Best regards,

Debra Cole

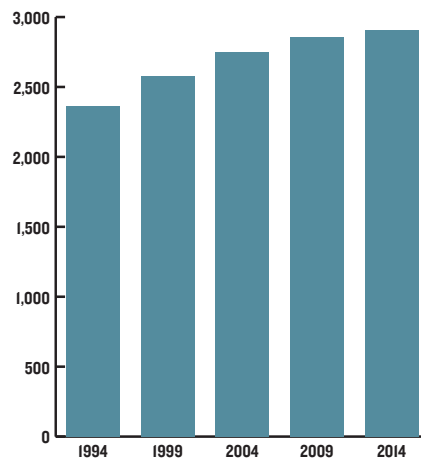
DEBRA COLE

General Manager/CEO

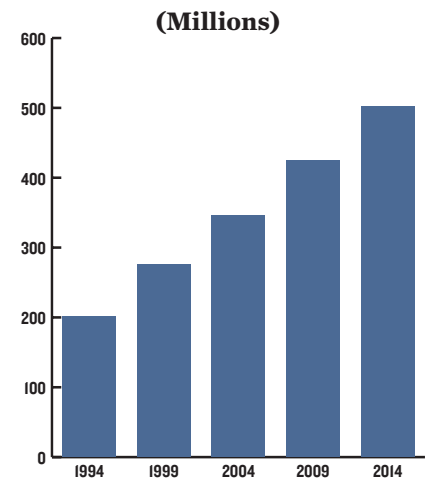
Meter Growth



Miles of Line

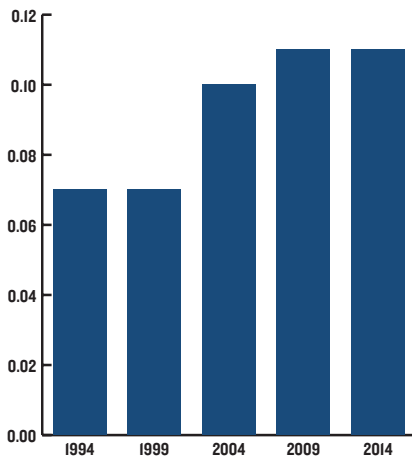


Total KWh Sold



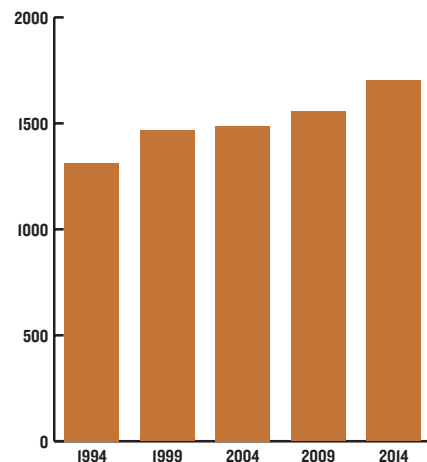
Average Cost per KWh

(Cents)



Average Monthly Usage

(Residential KWh)





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

2014	2013
—Residential—	
74.07%	74.43%
—Commercial—	
24.93%	24.54%
—Public and Other—	
1.00%	1.03%

AND HOW IT WAS SPENT:

2014	2013
—Total Power Cost—	
68.32%	64.03%
—Total Operations—	
16.34%	18.57%
—Depreciation—	
8.06%	8.77%
—Interest and Other Margins—	
7.28%	8.64%

Balance Sheet

	2014	2013
WHAT WE OWN (Assets)		
Net utility plant	\$105,815,720	\$103,225,852
Other investments.....	35,452,426	32,603,843
Cash and temporary cash investments	659,679	288,763
Accounts receivable	3,026,116	4,355,563
Material and supplies	117,541	113,391
Other current and accrued assets.....	396,308	303,756
Deferred charges.....	<u>3,146,762</u>	<u>3,653,240</u>
Total assets.....	\$148,614,552	\$144,544,408
WHAT WE OWE (Liabilities and Equities)		
Membership fees, patronage capital and other equity	\$ 62,023,317	\$ 57,737,785
Long-term debt.....	73,674,283	72,044,148
Accounts payable.....	4,523,393	5,364,248
Consumer advance deposits.....	1,471,927	1,384,106
Other current and accrued liabilities.....	6,023,933	7,558,120
Deferred credits.....	<u>897,699</u>	<u>456,001</u>
Total liabilities and equities.....	\$148,614,552	\$144,544,408

Income Statement (Year Ended December 31)

	2014	2013
WHAT WE TOOK IN (Revenues)		
Sales of electric power	\$57,961,790	\$49,791,142
WHAT WE PAID OUT (Expenses)		
Purchased power.....	\$37,748,715	\$30,425,930
Operations and maintenance	3,715,179	3,523,392
Consumer information and accounts.....	2,801,342	2,852,959
Administration and general expenses.....	2,514,807	2,446,028
Depreciation.....	4,455,185	4,165,500
Interest.....	3,419,165	3,555,829
Other	<u>606,430</u>	<u>549,298</u>
Total expenses.....	\$55,260,823	\$47,518,936
Net operating margins.....	\$ 2,700,967	\$ 2,272,206
Interest income	194,775	184,954
Capital credits and other nonoperating income.....	<u>2,513,984</u>	<u>2,976,867</u>
Net margins.....	\$ 5,409,726	\$ 5,434,027

Member Statistics (Year Ended December 31)

	2014	2013
KWh purchased.....	525,978,718	513,358,878
Average number receiving service.....	24,592	23,995
KWh sold.....	502,492,828	468,170,412
Miles of line.....	2,907	2,889

A Change for the Better

WHEN IT COMES TO ENERGY EFFICIENCY in the home, sometimes small changes can make a big impact. A small, unglamorous task like changing the filters on your HVAC system makes your unit run more efficiently, keeping your house cooler in the summer and warmer in the winter. It also saves money. The savings gained from having your system run efficiently can be applied to fun for your family.

The Lowdown on Dirt

As you move around your home, you drive dust into the air from carpets, furniture and drapes. Dust and dirt trapped in a system's air filter leads to several problems, including reduced airflow in the home and up to 15 percent higher operating costs; potentially costly duct cleaning or replacement; and lowered system efficiency.

Making the Switch

Get busy changing or cleaning the air filter in your heating/cooling system. Many HVAC professionals recommend that you clean or change the filter on your air conditioner or furnace monthly. It's simple and easy, and in many cases, it only takes a few minutes.

Filters are available in a variety of types and efficiencies, rated by a Minimum Efficiency Reporting Value. MERV tests filter effectiveness and was developed by the American Society of Heating, Refrigerating and Air-Conditioning Engineers. The higher the MERV number, the higher the filter's effectiveness at keeping dust out of your system. Although most types of filters must be replaced, some filters are reusable.

Don't forget about the winter months: Your heating system needs to work as efficiently as possible to keep you warm, and a clean air filter helps it do just that.

Heating and cooling professionals recommend turning your system off before changing the air filter. Make sure that the arrow on the filter—which indicates the direction of the airflow—is pointing toward the blower motor. When you've made the change, turn your system back on.

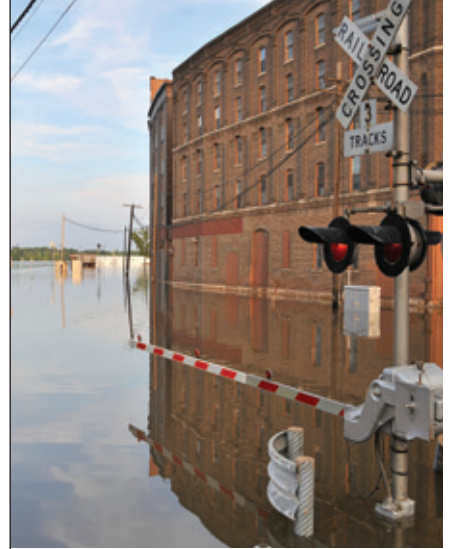
A dirty HVAC filter can rob your system of performance, leading to higher bills in both summer and winter.

the air quality in your home, changing your air filter is a great opportunity to teach your family more about energy efficiency. Consider getting everyone involved, and the entire family will learn how simple changes can make a big difference.

For other tips on how to save, visit hilco.coop or call the efficiency experts at HILCO Electric Cooperative.

A Teachable Moment

Beyond saving money and improving



Hidden dangers, such as flooded electrical equipment, can remain behind even after a storm has passed.

Staying Safe After a Storm Has Passed

WE ALL BREATHE A SIGH of relief after a storm moves on. However, when bad weather passes, it does not mean that danger has passed. HILCO Electric Cooperative wants you to know how to stay safe after a storm.

- ▶ Do not touch a downed line or anything it touches. Stay away and instruct others to do the same. Call 911 and your cooperative.
- ▶ Before entering storm-damaged buildings, make sure electricity and gas are turned off. Never enter a flooded basement if electrical outlets are underwater.
- ▶ If you see frayed wiring or sparks, shut off electricity at the main circuit breaker. But do not turn off power if you must stand in water to do so. Call the cooperative to turn off power at the meter.
- ▶ If you smell gas or suspect a leak, get out. Call 911 and notify your gas utility immediately. If inspecting your home in the dark, use a flashlight rather than a candle to avoid fire or explosion.

▶ Do not venture out on roads unless you have to. If you are driving and come upon a downed power line, stay away and warn others to stay away. Contact emergency personnel and your co-op. If your vehicle contacts a downed line, do not leave the car. Wait for co-op professionals to arrive and de-energize the line.

—Safe Electricity

FACES OF HILCO

Meet the People Who Work for You



Brandi Shore joined the HILCO family more than nine years ago and holds the position of director of administrative marketing. Brandi is responsible for promoting and marketing real estate, overseeing special projects and plans and performing other marketing duties. She also coordinates employee benefits and wellness programs, and reviews board-approved policies with employees. Brandi is fully devoted to her profession at the co-op and enjoys working with fellow employees and the public.

Away from work, Brandi enjoys playing darts, traveling and watching baseball, and has found a new appreciation for the performing arts.

Mark Fehnel has been devoted to serving HILCO EC and its members for more than 25 years. Mark began his career at HILCO in 1990 as a meter reader and has since brought his knowledge and skill behind the desk as office manager. In addition to his office duties, Mark also assists in the AMR department when needed.

Mark is a class act and never hesitates to offer a helping hand to his peers. Mark is passionate about helping others, whether it be mowing, cooking or running errands for friends and neighbors. He is also an active member in his church and community. Mark and his wife, Christie, have four children and four grandchildren.

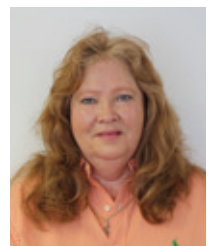


Russell Shivers has brought a friendly smile to HILCO members for more than eight years. Russell began as a staking technician and was later offered a position as manager of economic development. Conducting market and economic development needs, Russell says that he appreciates being able to work with developers and builders on a daily basis, as well as seeing the growth of HILCO.

Russell takes pleasure in spending time with his wife, Melissa, and their twin daughters on his days off. He also enjoys coaching his girls and playing golf.

Valorie Phillips has assisted HILCO members and employees as a dispatch clerk for more than nine years. While dispatching, Valorie monitors the AMR system, assists members and manages outage calls. When members call in, Valorie's warm and calm voice assures them that she is always here to help.

When Valorie is not dispatching, she enjoys time with family and watching tennis. She also takes pleasure in taking in the beautiful view on the beach with her daughter, Lynda.



Hollis Cunningham has provided dedicated service to members of HILCO for more than eight years. As a staking technician, Hollis takes pleasure in helping members decide on the method to obtain power for their property. Hollis' integrity is beyond measure, and it shows throughout his work.

When away from the co-op, Hollis enjoys hunting and spending time outdoors, and he is an avid NASCAR fan. Hollis and his wife, Paula, have three children, seven grandchildren and two great-grandchildren.