

Seven Cooperative Principles

A refresher course in the tenets that guide your co-op



MESSAGE FROM
GENERAL MANAGER AND CEO DEBRA COLE

HILCO ELECTRIC COOPERATIVE WAS FOUNDED 80 YEARS AGO ON these principles that still guide us today:

- 1. Voluntary and Open Membership:** Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
- 2. Democratic Member Control:** Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions.
- 3. Members' Economic Participation:** Members contribute equitably to, and democratically control, the capital of their cooperative.
- 4. Autonomy and Independence:** Cooperatives are autonomous self-help organizations controlled by their members. If they enter into agreements with other organizations, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.
- 5. Education, Training and Information:** Cooperatives provide education and training for members, representatives, managers and employees so they can contribute effectively to the development of their cooperative. They inform the public, young people and opinion leaders about the benefits of cooperation.
- 6. Cooperation Among Cooperatives:** Cooperatives serve members and strengthen the cooperative movement by working together through local, national, regional and international structures.
- 7. Concern for Community:** Cooperatives work for the sustainable development of their communities through policies and activities accepted by their members.



Cooperatives work to make a difference in the community.



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

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

Midlothian

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

Whitney

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Whitney, Texas 76692
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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



Happy Labor Day

HILCO EC will be closed Monday, September 4, for Labor Day. Crews will be on standby in case of outages.

September Bulletin

September 1-3

West

Westfest, 1110 S. Main St.

September 9-10

Waco

Front Porch Pickin's Vintage and Handmade Market
9 a.m.-4 p.m.
\$6 per person; 12 and under free admission

September 15-17

Grandview, Maypearl, Cleburne

Antique Alley

September 16

Waxahachie

Oktoberfest
10 a.m.-7 p.m.
Waxahachie Civic Center
stjosephoktoberfest.com

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

Setting your thermostat to a colder setting than normal when you turn on your air conditioner will not cool your home any faster and could result in excessive cooling and unnecessary expense.

BILLING SCHEDULE

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

CYCLE 1

Billing Date..... September 5
Due Date..... September 21

CYCLE 2

Billing Date..... September 12
Due Date..... September 28

CYCLE 3

Billing Date..... September 19
Due Date..... October 5

CYCLE 13

Billing Date..... September 20
Due Date..... October 5

CYCLE 4

Billing Date..... September 26
Due Date..... October 12

Make the Digital Switch

Upgrade your lighting from analog to digital with LED bulbs

JUST AS YOU UPGRADED YOUR TV AND PHONE FROM ANALOG SYSTEMS TO DIGITAL for better sound and picture quality, the lighting industry has been modernizing its options and products to offer consumers greater energy efficiency.

For several years, traditional incandescent lightbulbs have been phased out in favor of halogen and compact fluorescent lights. More recent innovations have focused on LED bulbs, which essentially produce digital light.

LEDs generally cost more to purchase than fluorescent lights, but they are much less expensive to operate over time.

Longevity and Efficiency in One

Known for their longevity and efficiency, LED bulbs have an estimated life span of up to 50,000 hours. This means that if you used an LED fixture eight hours per day, it would take about 17 years before it would need to be replaced.

LEDs are different from fluorescent and incandescent light sources, as LEDs do not contain gas or a filament. Instead, the entire unit relies on a semiconductor, which is solid in nature and makes the bulb more durable.



BLACKJACKED | ISTOCK.COM

LED bulbs contain two conductive materials placed together on a chip, or diode. Electricity passes through the diode, releasing energy in the form of light.

Unlike some other bulbs, LEDs achieve full illumination immediately.

Cost

If you use traditional bulbs and your power cost for lighting is \$100, you could lower that amount to \$20 by switching to LED illumination.

Outdoor Use

LEDs are ideal for outdoor use because of their durability. They are resistant to vibrations, shock and external conditions, such as weather and cold temperatures. LEDs also can be dimmed, allowing maximum flexibility in usage.

Smart Choice for Emergencies

If you have a portable generator or battery backup to use in the event of a power outage or weather emergency, LEDs are a smart complement. Because they draw so little power, using LED bulbs instead of CFL or traditional bulbs allows you to illuminate more areas and channel the “saved” energy to other applications.

Don't Be Fooled

When purchasing an LED bulb, look for the Energy Star label to ensure that you have a genuine product, as there are poor-quality LED products in the marketplace.



Your time is valuable, and we appreciate your participation in our member survey.

YOUR FEEDBACK GIVES US IMPORTANT information that helps us continue providing the quality service our members have come to expect from HILCO Electric Cooperative.

Names of members who completed and submitted a survey by the deadline were entered into a drawing to win a \$50 electric bill credit. The drawing was held July 7, and the winners' names are listed below.

The co-op's board, management and employees recognize the importance of feedback from our members, and we thank everyone who responded for taking the time to do so. The results will provide valuable insight as your cooperative moves forward. 4400471402

Congratulations to Our Winners!

Daniel Hill

Leslie Bradley

Hilltop Angus Ranch

Roy Freeze

Gregory Jackson

Terry Markham

Anthony C. Yung

Elizabeth Jaramillo

Debora Malone

Jean Pinner

USGRL | ISTOCK

Join Us for HILCO's Annual Member Picnic



Food, Fun and Prizes
Live Music from Chris Perez
Barbecue Dinner From Eddie Ray's Smokehouse

DON'T FORGET TO CAST YOUR VOTE!

**MAILED BALLOTS WILL BE ENTERED INTO
A DRAWING TO WIN A \$250 VISA GIFT CARD
OR ONE OF TEN \$50 BILL CREDITS!**

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.

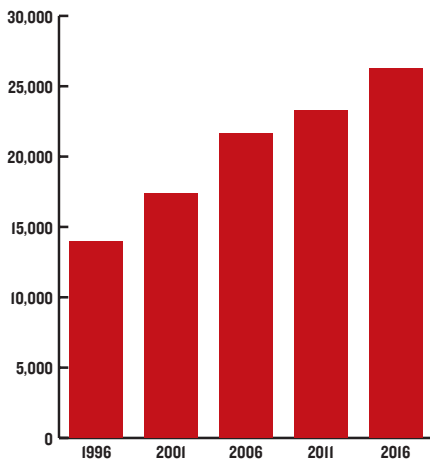
Best regards,

Debra Cole

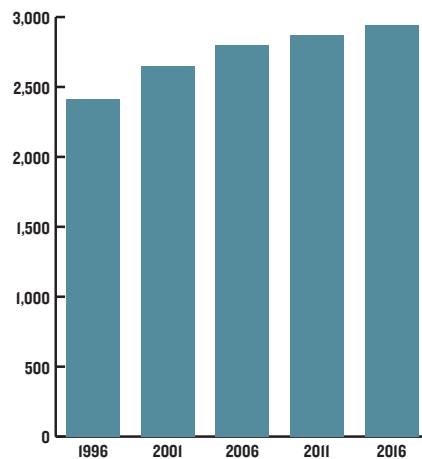
DEBRA COLE

General Manager/CEO

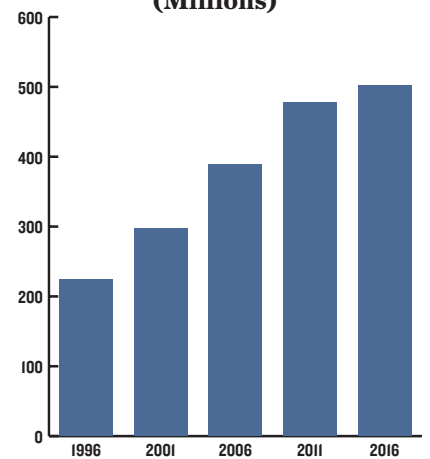
Meter Growth



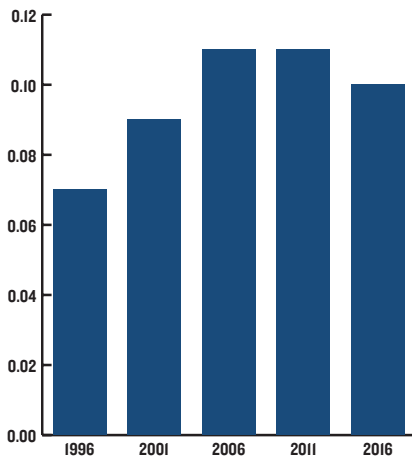
Miles of Line



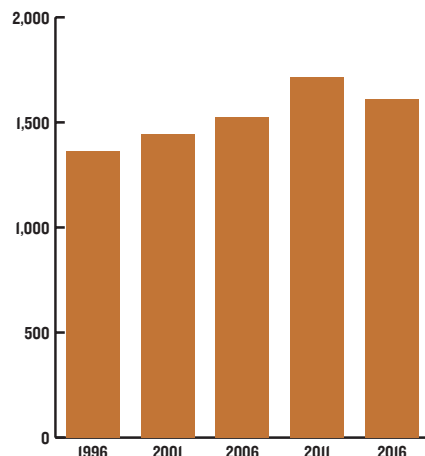
**Total KWh Sold
(Millions)**



**Average Cost per KWh
(Cents)**



**Average Monthly Usage
(Residential KWh)**





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

2016	2015
—Residential—	
73.46%	74.14%
—Commercial—	
25.55%	24.88%
—Public and Other—	
0.99%	0.98%

AND HOW IT WAS SPENT:

2016	2015
—Total Power Cost—	
60.99%	64.66%
—Total Operations—	
21.28%	18.66%
—Depreciation—	
9.47%	8.65%
—Interest and Other Margins—	
8.26%	8.03%

Balance Sheet

	2016	2015
WHAT WE OWN (Assets)		
Net utility plant	\$110,740,689	\$109,126,597
Other investments.....	38,344,232	36,561,540
Cash and temporary cash investments	798,285	433,285
Accounts receivable	4,036,449	2,152,514
Material and supplies	63,870	70,063
Other current and accrued assets.....	467,305	490,969
Deferred charges.....	<u>2,368,636</u>	<u>2,761,169</u>
Total assets.....	\$156,819,466	\$151,596,137
WHAT WE OWE (Liabilities and Equities)		
Membership fees, patronage capital and other equity	\$ 69,529,539	\$ 65,790,560
Long-term debt.....	72,511,558	70,265,364
Accounts payable.....	4,442,614	5,199,387
Consumer advance deposits.....	1,369,263	1,452,373
Other current and accrued liabilities.....	8,006,883	7,916,706
Deferred credits.....	<u>959,609</u>	<u>971,747</u>
Total liabilities and equities.....	\$156,819,466	\$151,596,137

Income Statement (Year Ended December 31)

	2016	2015
WHAT WE TOOK IN (Revenues)		
Sales of electric power	\$50,380,399	\$53,097,370
WHAT WE PAID OUT (Expenses)		
Purchased power.....	\$29,361,586	\$32,383,647
Operations and maintenance	4,329,528	3,805,402
Consumer information and accounts.....	2,954,943	2,848,763
Administration and general expenses.....	2,959,937	2,691,785
Depreciation.....	4,559,399	4,331,845
Interest.....	3,269,614	3,364,046
Other	<u>704,502</u>	<u>659,944</u>
Total expenses.....	\$48,139,509	\$50,085,432
Net operating margins.....	\$ 2,240,890	\$ 3,011,938
Interest income	201,987	223,234
Capital credits and other nonoperating income.....	<u>2,513,277</u>	<u>1,768,474</u>
Net margins.....	\$ 4,956,154	\$ 5,003,646

Member Statistics (Year Ended December 31)

	2016	2015
KWh purchased.....	533,334,372	541,353,508
Average number receiving service.....	25,931	25,270
KWh sold.....	501,499,360	509,132,264
Miles of line.....	2,939	2,922

21st Annual Texas

Climbing

A BEAUTIFUL TEXAS SUNRISE, FLAGS WAVING FROM BUCKET

trucks, dozens of nonenergized power poles and a lot of nervous linemen set the backdrop for the 21st annual Texas Lineman's Rodeo at Nolte Island Park in Seguin.

Some of the best linemen in Texas head out to the park every July to showcase their skills in front of family, friends and peers.

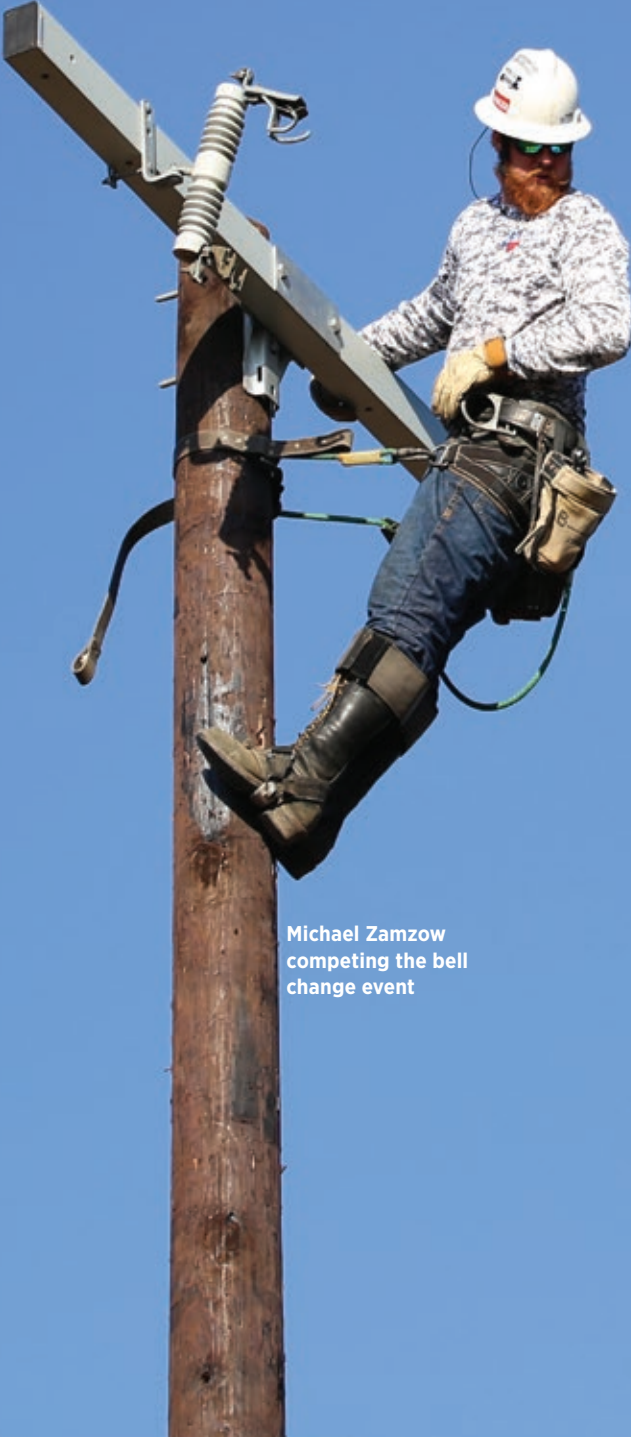
The rodeo is designed to have linemen compete in events required by their everyday jobs. In these events, linemen hone their skills so when Mother Nature vents her fury in our cities, towns, or farms and ranches, linemen can answer the call and brave the elements to restore power and bring peace of mind back to those we serve.

This year, HILCO Electric Cooperative sent seven apprentices, four judges and a barbecue team to be part of the event—and as usual, HILCO EC participants did not disappoint.

HILCO EC is proud of every lineman who participated in the lineman's rodeo this year. All seven HILCO apprentices placed among the top 15 or higher in numerous events. Michael Zamzow placed second in the hurtman rescue event.

"All of these men displayed dedication and determination and are part of our highly skilled team of linemen, and we thank them for representing our cooperative. Whether competing against the best in Texas or restoring power for members, they give their all to HILCO, and for that, we thank them," said Travis Sanders, assistant director of operations.

Participating this year were Michael Zamzow, Austin Seiler, Brett Harlin, John Prescott, Toby Amerson, Derick Allen and Zach Hillberry. Also, you cannot have a successful rodeo without judges! Representing HILCO as judges were Darrell Sulak, Jason Patton, Chad Heubner and Lance Henkelman. Greg Miller with Trinity Industries represented HILCO in the barbecue cook-off. Great job to all!



Michael Zamzow
competing the bell
change event

Lineman's Rodeo

to the Top

