



# INVESTING IN THE FUTURE

## Holmes-Wayne Electric Cooperative Annual Meeting

Holmes-Wayne Electric Cooperative reaffirmed its commitment to reliable, affordable electric service at its annual meeting, held June 28 at West Holmes High School.

A health and information fair was provided before the business meeting. Members learned more about community growth from local vendor participation as well as Holmes-Wayne Electric providing valuable safety demos, service information booths, and energy efficiency demonstrations.

The business meeting included the reviewing of 2017 financials as well as summary and financial review of the Operation Round Up program.

The 2018 trustee election resulted in the re-election of three seats on the Holmes-Wayne Board of Trustees: District 1 – Randy Sprang, incumbent; District 3 – Jackie McKee, incumbent; and District 7 – David Tegtmeier, incumbent.

Randy Sprang, chairman of the Holmes-Wayne Board of Trustees, reported on the board's approval of a \$23

million work plan. Initiatives of this four-year plan include enhancing system reliability, providing load availability for future growth, and investing in cost-saving technology that benefits all members. (The full speech begins on Page 20D.)

“We assure you that we are using your dollars responsibly to provide the best value for you as a member-owner of your electric provider,” Sprang said.

Sprang also announced the retirement of \$1.16 million in capital credits to Holmes-Wayne members. Capital credits, a distinguishing characteristic of membership in an electric cooperative, are margins remaining after all expenses have been paid that are returned to members in proportion to their use in the fiscal year.

In his annual address to members, Glenn Miller, president and CEO of Holmes-Wayne, detailed the cooperative's ongoing system upgrades. (The full speech begins on Page 20B.)

“We continue to invest in your system to provide increased reliability,” Miller said. “These investments include line

*Continued on Page 20*





# HOLMES-WAYNE ELECTRIC COOPERATIVE LOCAL PAGES

Continued from Page 19



rebuilding, substation testing, pole replacements, and other equipment replacements and upgrades.”

Miller reported that Holmes-Wayne has finished building tie lines between the co-op’s 18 substations. These 203 miles of tie lines allow the co-op to switch direction of power delivery in the event of a transmission outage, significantly boosting reliability. In 2017, HWEC members had power 99.93 percent of the time.

Miller also shared that 126 miles of line will be rebuilt in the next four years, while 406 miles of line will be trimmed in 2018 — all in an effort to maintain reliability for members.

Holmes-Wayne also continued its tradition of promoting energy efficiency and safety by presenting at local schools, safety fairs, and youth organizations. Holmes-Wayne’s commitment to service even reached across the globe, with Lineman Josh Johnson traveling to Guatemala for 17 days this winter to bring power to 142 homes and 846 people who lacked access to electricity.

Kurt Helfrich, general counsel for Ohio’s Electric Cooperatives, informed Holmes-Wayne members of recent changes in the management of its power supply. In March, Buckeye Power, the generation cooperative that provides Ohio co-ops with power, assumed management control of Cardinal Generating Station from American Electric Power after a 50-year partnership.

“Under the management of Ohio’s Electric Cooperatives, co-op members can expect a safe, reliable, affordable, and environmentally responsible supply of electricity from Cardinal well into the future,” Helfrich said.

Additionally a new state-of-the art indoor training center was built for Ohio cooperatives’ apprentices and linemen to train year-round.

The meeting concluded with acknowledging 10 local youths who received a total of \$15,000 in scholarships given by Holmes-Wayne Electric, and drawing for door prizes.



David Tegtmeier



Jackie McKee



Randy Sprang



# 2018 Holmes-Wayne Electric Cooperative Annual Meeting





## MESSAGE GLENN W. MILLER



Glenn W. Miller  
PRESIDENT/CEO

Thank you, Dave. Good evening, everyone. I appreciate so many members attending tonight.

Tonight, I would like to briefly update you on the accomplishments of your cooperative during the last year and plans for the year ahead.

First, I would like to report that we continue to invest in your system to provide increased reliability. These

investments include line rebuilding, substation testing, pole replacements, and other equipment replacements and upgrades.

I am happy to report we have completed building tie lines between our 18 substations. In most cases, if our transmission supplier is unable to provide electric service to our substations, we can switch direction of power delivery through these tie lines.

We have built 203 miles of tie lines throughout our system. This has improved our overall reliability and has proved to be a good investment. Last year members had power 99.93 percent of the time.

This will greatly reduce your outage time, generally from 8–12 hours to 2–3 hours. It also gives us control of restoring your power. We will be installing many devices to automate this switching process in the future, when conditions warrant.

We have begun a new four-year work plan that totals \$23.1 million of investment. This work plan features 126 miles of line rebuilding. Transformer capacity increases will be completed at the Trail, Killbuck, and Stillwell substations.

Tree limbs on the power lines continue to be the number one source of power outages. It's been fourteen years since we began a strategic tree trimming and vegetation control program to help reduce outages.

This year, in our four-year cycle program, we will trim another 406 miles in the Mohicanville, Clear Creek, West Salem, North Wayne, and Golden Corners substation areas.

This work is bid out and contracted annually, with Davey Tree Service being the contractor this year. The year

following tree trimming, those same areas are sprayed to minimize growth until the next trimming cycle.

A few years ago we added an ash tree removal program. We decided to be proactive in taking down trees that have been affected by the emerald ash borer in areas that are not in the current-year tree trimming program cycle.

Though these efforts reduce outages tremendously, they do not eliminate them. We will always battle a variety of factors such as weather, wildlife, and car accidents.

We continue to add new services — in 2017, we added 207. That brought the total number of services at year's end to 18,549. Again, this year we have seen a lot of growth in our commercial load.

Your cooperative has a very good mix of commercial and residential members. Our revenues are about 55 percent residential and 45 percent commercial. This growth and load mix enables us to keep our rates low.

Just last month, we introduced our new website. We are very excited about the new website — it is very user friendly. When you have a chance, please check it out.

As many of you are aware, we have a mobile option to pay your bill, report outages, and submit meter readings. This mobile application is SmartHub. This can be used on your smartphone or iPad. We have a feature that allows you to schedule your payments.

If you are traveling, you can schedule your payment in advance. If you prefer to have scheduled payments all the time, you can take advantage of our automatic payment process and avoid scheduling your payment every month.

Please contact us if you would like to learn more or start using these convenient resources.

Your cooperative continues to prosper in the area of community service. We nominated a local food pantry for the national “Who Powers You” award, and I am pleased to say they came in second in the country, quite an honor for them. And, more importantly, they received \$2,000 for their worthy cause.

Our staff participates additionally in other community activities including parades, answering phones for the Share a Christmas program, Touch a Truck day events, Reality Days in local schools, parades, and concession stands at local ball games, just to name a few.

We continue to be active in promoting energy efficiency and safety, by visiting local schools, safety fairs, and talking with youth in 4-H and Scout troops, for instance. We consider safety education not just an internal organizational commitment of our staff but a commitment to our local community.

Our staff is committed to helping others in need, beyond just our service territory. Last fall, four of our linemen traveled to Georgia and another four linemen traveled to New Hampshire to help with power restoration caused by hurricane damage.

Class A Lineman Josh Johnson traveled to Guatemala along with 16 other linemen from co-ops across the state to participate in "Project Ohio." They worked tirelessly on their 17-day journey that literally provided electricity to a village for the very first time. The village consisted of 142 homes and 816 residents.

This will change the quality of the daily lives of these residents and provide future learning opportunities for their children. We thank Josh as well as his wife, Diane, and his daughters, who certainly missed him while he was helping others.

We have, I feel, the best staff you will find anywhere in our industry. They are hard-working, dedicated, and loyal in providing your electric service and being good members of our community. I would invite you to join me in showing our appreciation by giving them a well-deserved round of applause.

Your cooperative is a vital part of our local tax base. In 2017, we paid \$1,422,000 in kilowatt-hour tax to the state of Ohio. Additionally, we paid \$1,121,000 in property taxes that benefit 12 local school districts, as well as local governments.

Overall, Holmes-Wayne continues to have one of the lowest electric service rates in the state of Ohio, out of the 25 cooperatives.

I believe this fact, along with our level of service and increased reliability, gives you the balanced value you deserve as member-owners of the cooperative.

We can only accomplish this because of the quality of our staff and the fact that we continue to focus on technology advances that create many efficiencies and cost savings. This gives our personnel up-to-date information and streamlines our work processes greatly and, in return, reduces costs to you.

Also, you, the members, are key to the success of the co-op. We appreciate your valuable feedback to not only improve services but provide information on outages and vegetation management to reduce outages.

In closing, I hope you have found all the investments and efforts that have been made this past year have added value to your electrical service. It is our continued goal to provide you with clean, safe, reliable electricity with member service excellence.

Thanks again for attending tonight; I truly hope you enjoyed the evening.





## MESSAGE RANDY SPRANG



Randy Sprang  
PRESIDENT/CEO

Good evening!

On behalf of your nine-member board, I would like to express appreciation for your continued interest in your local electric cooperative. As you may have already noticed, the theme for this year's annual meeting is "Investing Today for an Even Brighter Tomorrow."

Strategic business planning is key to the continued success

of the cooperative. After a thorough review, your board recently approved the launch of a \$23 million work plan. The vital initiatives of this four-year plan include: enhancement of system reliability, providing service load availability for future growth, and investing in cost-saving technology benefiting all members. We assure you that we are using your dollars responsibly to provide the best value for you as a member-owner of your electric provider.

In addition to investing wisely for the future of our members, we are also dedicated to investing in the safety of our membership, staff, and community. You may have noticed new traffic lights being used by field personnel when working alongside busy roads. This helps protect not only HWEC personnel but also those driving in the area. This purchase was a result of the employees expressing this safety concern to the board.

We continued that safety theme into tonight's event by providing valuable community information in the lobby as you entered. We are proud to include many local organizations that join us in working toward a brighter tomorrow in the communities that we serve.

I would also like to thank all HWEC members and our own staff and board who contribute and participate in community events throughout the year. Your cooperative is committed to our local community!

One event we are particularly proud of is the Honor Trip. This three-day bus trip takes local veterans to Washington, D.C., to observe the memorials built in their honor. This August will mark the third year for this program. The funds raised for this event are through employee payroll donation, potluck safety meals, board donations, and community donations.

I am pleased to announce that earlier this year HWEC was recognized with the Cooperative Purpose Award

for coordination of this trip. This national award recognizes cooperatives for meaningful contributions to the community and for exemplifying the purpose of cooperatives. It is an honor and privilege to be involved in such a program.

Our role as the board goes beyond the local community. We continue to focus efforts on federal and state legislative communication. In April, I had the privilege of traveling to Washington, D.C., with our president/CEO, Glenn Miller, and fellow board member Barry Jolliff to advocate on your behalf. In office visits with members of Congress, we sought support for key legislation aimed to benefit the future of electric cooperatives.

You can also have confidence in the efforts of your board of trustees and Holmes-Wayne staff, who are placing personal dollars behind our legislative communication. All nine board members at HWEC are contributing to the Action Committee for Rural Electrification (ACRE®).

ACRE supports congressional candidates, regardless of their party association, who share public policy goals that are consistent with the mission of member-owned electric cooperatives. Also, half of the contributions to ACRE are returned to the statewide associations for use in state elections to express our concerns regarding proposed energy and environmental policies and the devastating impact this would have on our members. Maintaining a strong grassroots presence in the political process is vital to the long-term success of our cooperative, and cooperatives nationwide.

You, a member-owner, also have the opportunity to let your congressman know that you are concerned about maintaining affordable electric. The past several annual meetings, we have provided information regarding the COPA program, which is the Co-op Owners for Political Action program. This program tells your state and federal elected officials that you are committed to promoting policies that will secure the future of our electric cooperative and our community.

If you have not signed up for COPA, I want to emphasize the importance of this program. Now more than ever, we must protect ourselves. There was a table in the lobby during the health and information fair. If you were unable to sign up this evening, please talk to one of our board members after the meeting or call the cooperative office.

I want to personally thank the 369 Holmes-Wayne Electric Cooperative members who have already taken that step to join COPA.

Efforts by all of us, such as COPA participation, allow for your cooperative to remain financially stable. The annual report that is provided to you this evening displays our commitment as a board toward investing your dollars in the best manner for your cooperative.

Just this month, \$1,160,611.87 of capital patronage credits was returned to HVEC members. This is a retirement for members living on Holmes-Wayne Electric lines in 1997 and 1998. That's over a million dollars returned to our local economy.

Another way we give back to our community is through our annual scholarship program. This year \$15,000 was provided to 10 local students.

As you can see, your cooperative is very focused on maintaining reliable, affordable service while actively participating and giving back to the community. If you would like to learn more about your cooperative, we are offering our annual tour of our Cardinal Power Plant. This one-day event allows members to travel to our generation facility, located in Brilliant, Ohio. This educational event shows the dynamics of generating your power, so it is available to you 24/7 for a few dollars a day.

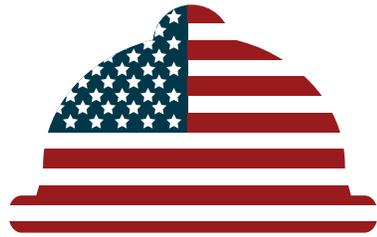
In closing, I wanted to share our 2017 American Customer Satisfaction Index survey. Our membership is surveyed annually. We received a score of 88 from those who participated in the survey. Thank you for your feedback; we are glad to hear you value the service we are providing.

To give you a sense of how we measure up with other cooperatives nationally, the average score for a cooperative across the United States is 80. Additionally, the investor-owned utilities in Ohio averaged a score of 75, and the municipal-owned utilities had an average score of 73.

We are always committed to continuous improvement. Through innovativeness, passion, and hard work we will continue to provide the best service possible. We look forward to the road ahead.

Thank you!





# LABOR DAY

**Our office will be closed on Sept. 3 in observance of Labor Day.**

To report an outage, pay your bill, or submit a meter reading, call us toll-free at 866-674-1055 or use our mobile app, SmartHub.

## Life-Saving Safety Demo

Holmes-Wayne Electric provides a FREE educational opportunity for area schools, community organizations, and emergency personnel throughout our service territory. Our table-top safety demonstration allows participants to see up close the dangers of electricity. If you would like to schedule a demonstration for students or your organization, contact us toll-free at 866-674-1055.



## Tips for a Safe Harvest



Harvest season brings hard work and can be exhausting, but rushing the job to save time can be extremely dangerous (even deadly!) when working near overhead power lines. We urge farm operators and workers to keep the following safety tips in mind.

-  Use care when operating large machinery near power lines.
-  Inspect the height of equipment to determine clearance.
-  Always keep equipment at least 10 feet away (in all directions) from power lines.
-  Remember to lower extensions when moving loads.
-  If a power line is sagging or looks to be dangerously low, please call us immediately.

Source: SafeElectricity.org



Holmes-Wayne  
Electric Cooperative, Inc.

A Touchstone Energy® Cooperative

### CONTACT

866-674-1055 (toll-free)

www.hwecoop.com

### OFFICE

6060 St. Rte. 83

P.O. Box 112

Millersburg, OH 44654-0112

### BOARD OF TRUSTEES

Randy Sprang  
Chairman

Dave Mann  
Vice Chairman

Barry Jolliff  
Secretary/Treasurer

Jonathan Berger  
Kenneth Conrad  
Bill Grassbaugh  
Jackie McKee  
Ronnie Schlegel  
David Tegtmeier  
Trustees

Glenn W. Miller  
President/CEO

### SMARTHUB

Report an outage, submit a meter reading, and pay your bill all through our mobile SmartHub application.

Available for both Android and Apple devices



### CALL US 24/7

Report outages, submit meter readings, and make payments

Facebook.com/holmeswayneelectriccoop