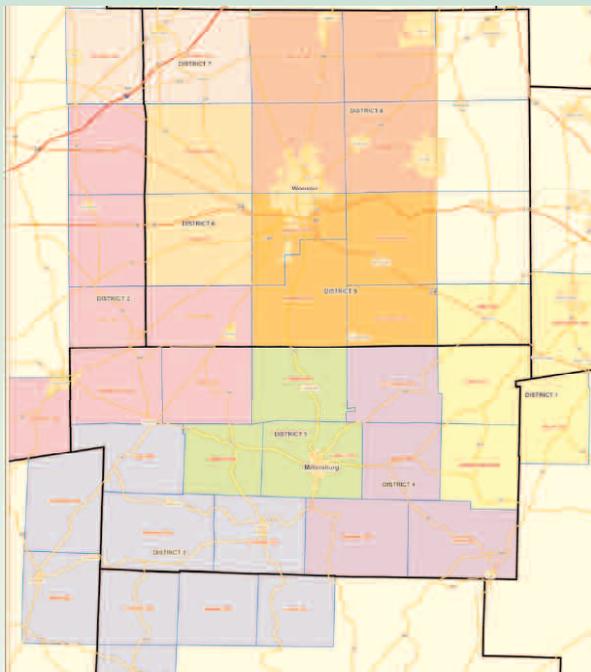


# Holmes-Wayne Electric Cooperative, Inc.



## 2012 HWEC Annual Meeting

Holmes-Wayne Electric's annual meeting of the members was Thursday, June 28, 2012 at West Holmes High School. Over 900 members and guests attended the meeting. If you were unable to attend the meeting, please take a few moments to review the following pages of information that was shared. As a member/owned organization, we understand the tremendous responsibility of keeping our members informed and educated on the activities and growth of Holmes-Wayne Electric Cooperative.



### 2012 Trustee Election

This year's trustee election was conducted again by a third party vendor. More than 1,800 Holmes-Wayne Electric members exercised their right as members to vote via internet and return mail. Two trustees were re-elected to the board. Randy Sprang (center) of Dundee won election to serve District 1 and Don Buren of West Salem was re-elected to serve District 7. New to the board is Jackie McKee of Shreve to serve District 3. McKee is replacing retiring trustee Larry Martin who served 12 years on the board of trustees.



### Board of Trustees

*Randy Sprang, Chairman*      *Dave Mann, Vice Chairman*      *Kenneth Bower*      *Don Buren*  
*Kenneth Conrad*      *Bill Grassbaugh*      *Barry Jolliff*      *Jackie McKee*      *Ronnie Schlegel*

**6060 St. Rte. 83; P.O. Box 112  
Millersburg, OH 44654-0112**

**Business hours 7:30 a.m.-4 p.m.**

**[www.hwecoop.com](http://www.hwecoop.com)**

**24 Hour Toll-free Phone:**

**866-674-1055 or 888-264-2694**

A Touchstone Energy® Cooperative   
The power of human connections®

# President's Report

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

Two years ago, we began a \$16.5 million, four-year work plan. Approximately \$10.5 million is again focused on line rebuilding. The majority of the balance is substation upgrades.

Our main investment is in the system that provides your service. In the last five years alone we have rebuilt approximately 225 miles of the system.

Tree limbs on the power lines are the number one source of power outages. So, back in 2004, we began a strategic tree trimming program. Currently, we are in our third systemwide four-year cycle of trimming.

All totaled, in the first eight years of the program, we have trimmed 3,300 miles of trees. This year, we will trim another 404 miles in Reedsburg, Ripley and West Millersburg substation areas. This work is bid out and contracted annually, with Davey Tree being the contractor this year.

New services are down considerably due to current economic conditions, however; your cooperative held its own last year. In 2011, we added 164 new services. We retired 172 services. This brings the total number of services at years' end to 18,454.

Your cooperative continues to prosper in the area of community service. I am proud to announce this year the Holmes-Wayne Team donated \$7,760 to The American Cancer Society Relay for Life Fund. We have donated about \$83,000 over the last nine years.

All money was raised entirely by our staff, staff family members, the board of trustees and retirees through various fundraising activities. A big thanks to everyone in making this such a success. A special thanks to our team captains Nolan Hartzler and Gary Snyder. Gary retired in 2011, but still comes back to participate. I think this says a lot.

Our staff participates additionally in parades, answering phones for the share a Christmas program, Touch-A-Truck day in Wayne County, Reality Day in Holmes County, parades, concessions stands at local ball games, just to name a few.

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.

Your cooperative is also a vital part of the local tax base. In 2011, we paid \$1.39 million dollars in Kilowatt-Hour Tax to the state of Ohio. Additionally, we paid \$860,000 in property taxes that benefit 12 local school districts, as well as, local governments.

As Randy mentioned, your rates have increased the past few years. The vast majority is to comply with federally mandated environmental upgrades at Buckeye Power's Cardinal Station, your generation facility.

Overall, Holmes-Wayne has the third lowest rates in the state out of 25 cooperatives. At Holmes-Wayne we are constantly looking for ways to keep our costs low. We currently have 37 staff members and 18,454 meters. That equates to 499 meters per staff member, which I believe may be the best ratio in the state. The state average is 310.

We can accomplish this because of our great staff and 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 reduces costs to you.

A few examples are our line rebuilding program in recent years which saves you annually approximately \$400,000 in line loss alone. Also our energy advisor is available to do home energy audits as a service to you to help you manage your costs.

All in all, the tremendous staff we have here allows us to accomplish this for you keeping your power costs among the lowest in Ohio, which now more than ever is important during these difficult economic times.

We remain active in promoting energy efficiency and safety. We visit local schools, safety fairs and talk with youth in 4-H and scout troops, just to name a few. The last three years we have conducted energy savings days at both our West Salem and Millersburg offices.

As generation costs continue to rise, being actively involved in the legislative process is more important than ever to the cooperative. Two years ago, we introduced the Co-op Owners Political Action® program as a way for you to be active and heard in the legislative

**Continued on page 22**

*"It is our continued goal to provide you reliable electric service and keep costs affordable for you."*

# Board Chairman's Report

Good Evening. On behalf of your nine-member board, we would like to commend you for taking the time out of your busy schedule to attend the Holmes-Wayne Electric Cooperative Annual Meeting. As a board, we take the responsibility of representing you, the member-owners, seriously.

We are all here tonight because we believe in the cooperative model. An example of this democratic process was displayed a few weeks ago as all Holmes-Wayne Electric members were mailed a ballot for the election of board trustees.

Also, you will notice a survey at your place setting. We value your opinion, so please take a few minutes to complete and return when you exit the building this evening.

Additionally, when you leave this evening, you will receive your complimentary energy efficient CFL light bulbs. Your cooperative continues to provide resources, tools and information regarding energy efficiency to assist you in managing your electric bill.

I would like to take a moment to recognize board trustee Larry Martin. Larry has served on the Holmes-Wayne Electric board for the past 12 years. He has served as the secretary/treasurer, the OREC/Buckeye Board representative and on the OREC Youth Committee. Thank you Larry for your service to the cooperative and community.

I would also like to thank the 37 employees, who work diligently to provide safe and reliable electricity to our eight-county service territory. As you well know, electric service interrupted by storms, car accidents and animals doesn't happen just during daytime working hours. These men and women work hard to provide quality service 24 hours a day, 7 days a week, 365 days a year. The board thanks them for their dedication.

The past few years, the board has been challenged with a very volatile energy industry. Currently, 64 cents of every dollar you spend on electricity passes through Holmes-Wayne Electric and goes directly toward generation and transmission of your electricity.

Also, Holmes-Wayne Electric President/CEO Glenn Miller is actively involved in our generation rate committee and will share further information regarding your rates.

Another recent cooperative principle displayed was the retirement of \$1,073,322.74 of capital patronage credits back to you, the members. This is a retirement

for members living on Holmes-Wayne Electric lines in 1991.

Your investment in the cooperative continues. In 2011, the West Salem district office was remodeled. This office generally serves both Wayne and Ashland county members. The remodeling not only addressed safety concerns but also provided operations

and energy efficiencies.

Another important role your board is committed to is legislative communication. We understand the importance of communicating with lawmakers about the facts of our industry and the impact of legislation on you, the members of the cooperative. Over the past couple of years, we have seen a variety of new proposals from the federal level regarding fossil fuel generation.

You can take confidence in the efforts of your board of trustees and that the Holmes-Wayne staff is with you in this fight to keep electricity affordable. All nine board members and entire leadership staff at HWEC are contributing to the Action Committee for Rural Electrification® (ACRE). ACRE supports congressional candidates, regardless of party, 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

You, a member-owner, also have the opportunity to let your congressman know that you are concerned

**Continued on page 22**

*"The past few years, the board has been challenged with a very volatile energy industry. Currently, 64 cents of every dollar you spend on electricity passes through Holmes-Wayne Electric and goes directly toward generation and transmission of your electricity."*



## Board Chairman's Report

Continued from page 21

about maintaining affordable electricity. The past two 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.

There are more than 34,000 like-minded COPA members nationwide. I want to personally thank the 230 Holmes-Wayne Electric Cooperative members who have joined COPA. Maintaining a strong grassroots presence in the political process is vital to the long-term success of our cooperative, and cooperatives nationwide.

Finally, I want to communicate the board's commitment to you, the members. Decades ago your local electric co-op was formed to make sure everyone who needed electricity had it. And as time went on, as our community continued to grow, so did the need for electricity. Generation to generation, we've made certain that need has been met. Today, we're still doing everything in our power to keep safe, affordable and reliable electricity flowing. It was our purpose then. It's our purpose now. And that'll never change. We are looking out for you!

## President's Report

Continued from page 21

process. To date, 230 HVEC members have joined, and I want to thank you for your participation and interest in the legislative process.

On August 10th we will be hosting a meeting for the COPA members with United States Congressman Bob Gibbs and Congressman Jim Renacci. These gentlemen will brief us on the issues in Washington, D.C. This year's event will be at our newly renovated facility in West Salem, as last year's event was at our Millersburg office.

This will be a great opportunity to learn and ask questions on political issues. We are lucky to have this kind of access to our local representatives, and it's an added benefit for our COPA members.

With government regulations continuing to add costs to your electric bill, now is the time to become a COPA member. We support clean air and water, but we must be reasonable with regulation to consider the impact on electric rates and jobs. In the past nine years, wholesale power rates have more than doubled.

You can join other co-op owners' by becoming a member of COPA (Co-op Owners Political Action), for \$25 per year or just \$2.08 per month, which we can simply add to your bill. Ohio has become the leader across the nation in this program.

As a member-owned company, we feel it is our responsibility to make you aware of the options you have to keep your power affordable. We will continue to remain vigilant to protect your interests.

Zane Daniels, from the Ohio Rural Electric Cooperatives, is here tonight to help you sign up if you so desire. Please continue to look for updates on the status of legislative issues in this publication.

In closing, I hope you have found all the investments and efforts made this past year have added value to your electrical service. It is our continued goal to provide you reliable electric service and keep costs affordable for you.

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

