



## Safety Around the Clock

### 2016 Holmes-Wayne Electric Annual Meeting



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# 2016 HWEC Annual Meeting at a glance

“Safety Around the Clock.” That theme was reflected throughout the 2016 Holmes-Wayne Electric Cooperative Annual Meeting, held Thursday evening, June 30, at West Holmes High School.

The event kicked off with a health and safety fair, where Holmes-Wayne members received screenings from a variety of locally based health services, along with safety tips and information. New this year was a high-voltage safety demo. The two 20-minute demonstrations were presented by South Central Power Company, a sister electric co-op based in Lancaster, in the school theater. Information booths, manned by Holmes-Wayne Electric staff, displayed a variety of services available to members, energy efficiency tools, and safety equipment and tools.

This year’s meeting also included a celebration of the Operation Round Up Foundation’s 10th anniversary. Over \$500,000 has been donated back to community members and organizations in need through this foundation. Harold Neuenschwander was recognized for volunteering his service on the Operation Round Up board, and new board member Matt Johnson was introduced to the members.

Three seats on Holmes-Wayne’s board of trustees were up for election at the business meeting (voting was conducted prior to the meeting). Re-elected to the board were William Grassbaugh, Barry Jolliff, and Dave Mann of districts 2, 8, and 9, respectively.

Holmes-Wayne President/CEO Glenn Miller noted in his report that the cooperative has experienced substantial growth in the last year. Read Miller’s full annual meeting address on page 22.

Guest speaker Craig Grooms, vice president of market operations for Ohio’s Electric Cooperatives, HWEC’s cooperative power supplier and statewide services organization, said the business model of both HWEC and its power supplier means there is a singular focus on members, to provide safe and affordable power.

“I’ve been in this business long enough to have seen companies go in and out of bankruptcy, some more than once, and most of the time it’s because they were hoping to take advantage of a change in government policy, like deregulation, or because they thought they

were smarter than everyone else and were willing to place a big bet with borrowed money,” Grooms said. “For each of these companies, the provision of electricity at a fair price and with reliable service became an after-thought rather than their primary focus.

“And that’s where electric cooperatives are different. The advantage is our member- and community-focused, nonprofit business model.”

Grooms also highlighted changes in the electric utility industry in recent years. “Massive discoveries of natural gas in shale formations have dramatically increased gas supply, which has also produced a corresponding drop in prices,” he said. He added that natural gas plants replacing coal and nuclear plants has create several concerns, including the loss of valuable fuel diversity especially during extreme weather conditions that influence the natural gas market.

“We are living through a major change to our electric system right now, and it needs to be managed in a thoughtful and strategic way to ensure that the grid remains secure and reliable,” he said.

To respond to these looming regulatory challenges, Holmes-Wayne Board President Randy Sprang encouraged members to join ACRE Co-op Owners for Political Action® — a political action committee fighting to keep electricity reliable and affordable for rural Americans.

“Maintaining a strong grassroots presence is vital to the long-term success of our cooperative and cooperatives nationwide,” Sprang said. “I want to personally thank the 359 Holmes-Wayne members who have already taken the step to join Co-op Owners, and I encourage those of you who haven’t to join.”

Read Sprang’s full annual meeting address on the next page.

Also at the meeting, the winners of Holmes-Wayne’s annual scholarship program were recognized. These recent high school graduates were collectively awarded more than \$12,000 to use toward their education.

The evening concluded with drawing for seven bill of credits worth a total of \$300, a basket of energy efficiency items, and a leaf blower compliments of Davey Tree Service.

## Your re-elected trustees:



William Grassbaugh  
District 2



Barry Jolliff  
District 8



Dave Mann  
District 9

# Board chairman's report

from the 2016 Annual Meeting



**Randy Sprang**  
Board Chairman

Good evening!

On behalf of your nine-member board, I would like to express appreciation for your continued interest in your local rural electric cooperative. As you may have already noticed, the theme for this year's annual meeting is "Practice Safety around the Clock."

We hope you had an opportunity to observe the high-voltage safety demo that was in the theater. We want to express our gratitude to our sister Ohio cooperative, South Central, for taking time out of their busy schedule to provide this safety display.

The board and staff are committed to safety as a priority for Holmes-Wayne Electric. **Safety is our culture!** Not only through many hours of training, but also as a community responsibility to educate you, the members of the cooperative, of the dangers of electricity. This is not just a one-time-a-year approach. Safety at your cooperative comes through many venues, such as monthly line personnel safety meetings; daily tailgate discussions; safety demos at schools, community events, and for first responders; as well as safety reminders through marketing and advertising resources. **We truly hope this evening was a fresh reminder that safety is everyone's responsibility and that as your cooperative, we care for your safety!**

Obviously, to be a safe cooperative that involves investing in our infrastructure to provide reliable and safe electric service for all members of HWEC. 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. (The Annual Report was published in the June 2016 issue of *Country Living*.)

**Just this month, \$1,246,981 of capital patronage credits was returned to HWEC members.** This is a retirement for members living on Holmes-Wayne Electric lines in 1995 and 1996. That's over a million dollars returned to our local community economy.

We also give back to our community through volunteering and donating time at community events, as you will hear from our President/CEO, Glenn Miller, who will be sharing a variety of ways employees and board members are participating in our community — including this year's sponsorship for the cooperative's first Honor Trip, a bus trip that will take local veterans to Washington, D.C.

Staff also recently volunteered time assisting with the development of Harvest Ridge, the new location of the Holmes County Fairgrounds. HWEC is proud to be the electric provider for to this community-growth project.

**Beyond our local community, the cooperative took an international role. As you saw in the video earlier this evening, HWEC Class A Lineman Steve Asbury spent over two weeks in La Soledad, Guatemala, to bring lights for the first time to this village.**

As a board, we have been committed to the National Rural Electric Cooperative Association's international program for sev-

eral years. This year was the first opportunity for Holmes-Wayne Electric to participate on-site by having a staff member travel to the project site. **Although Steve, by far, sacrificed the most by working in extreme conditions and traveling away from his family, the rest of the HWEC staff worked together collecting toys and toiletry items to be shipped to the villagers. This project was a reminder of how 81 years ago, members of our community came together to bring lights to the country side for the first time. We were humbled and honored to participate in this program. We also are thankful for Steve's willingness and sacrifice.**

Back home, we continue to focus efforts on federal and state legislative communication. All nine board members 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. **Maintaining a strong grassroots presence in the political process is vital to the long-term success of our cooperative and cooperatives nationwide.**

You, as a member-owner, also have the opportunity to let your congressman know that you are concerned about maintaining affordable electricity. At the past several annual meetings, we have provided information regarding the ACRE 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 Co-op Owners, 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 359 Holmes-Wayne Electric Cooperative members who have already taken that step to join Co-op Owners. You will soon be receiving a special invitation for our Co-op Owners breakfast, to be held in August with U.S. Rep. Bob Gibbs and Jim Renacci speaking.

**In closing, I wanted to share that we completed our second year of the American Customer Satisfaction Index survey. We were excited to see that our members value the time and effort we place in providing the best service possible. We received a score of 87 from those who participated in the survey. Thank you for your feedback, but most of all, thank you for the honor and privilege as a board to serve you.**

As your board president, we continue the unwavering commitment to the success of your cooperative, and we look forward to the road ahead.

Thank you!

# President's report

from the 2016 Annual Meeting



**Glenn W. Miller**  
President/CEO

Good evening everyone. I appreciate so many members attending tonight.

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.

Tree limbs on the power lines continue to be the number one source of power outages. Twelve years ago, we began a strategic tree-trimming and vegetation-control program

to help reduce outages. This year, in our four-year cycle, we will trim another 404 miles.

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.

Last year we added an ash tree removal program for ash trees that have been affected by the emerald ash borer. As these efforts reduces outages tremendously, it does 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 2015, we added 174 new services. That brought the total number of services at years' end to 18,304.**

**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 keep our rates low.**

Last annual meeting, we were communicating our recent introduction of Facebook and SmartHub. SmartHub allows our members to report meter readings and outages and pay bills through our website and all mobile devices. These new technologies have gained popularity over the past year, and we continue to encourage members to use our Facebook page for communication updates and the user-friendly SmartHub to save you postage and time.

Your cooperative continues to prosper in the area of community service. The past 12 years, the Holmes-Wayne team donated over \$113,000 to the American Cancer Society's Relay For Life.

While this is and will always be a worthy cause, this year we changed our focus and have embraced the Honor Trip program. **We are able to sponsor and coordinate the first local Honor Bus Trip. Veterans from our local community will enjoy an all-expense-paid trip to Washington, D.C. This trip, coordinated with the Shreve American Legion, will happen in August and will be reported through *Country Living* magazine and our Facebook page.**

All funds raised for the Honor Trip were entirely by our staff, staff's family members, the board of trustees, retirees, and our statewide organization, through various fundraising activities. A big thanks to everyone in making this such a success. Also, I would like to personally thank Robyn Tate and Karole Butler, who spear headed this initiative and donated countless hours of their time to this wonderful program.

Our staff participates additionally in other community activities, including parades, answering phones for the Share a Christmas program, Touch a Truck Day in Wayne County, Reality Days in local schools, and concessions 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 and 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.**

We have, I feel, the best staff you will find anywhere in our industry. They are hardworking, 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 2015, we paid \$1,440,000 in kilowatt-hour tax to the state of Ohio. Additionally, we paid \$1,042,000 in property taxes that benefit 12 local school districts, as well as local governments.**

Overall, Holmes-Wayne has one of the lowest electric service rates in the state of Ohio, out of the 25 cooperatives. I believe this fact, along with our strong service and increased reliability, gives you the balanced value you deserve as member-owners of the cooperative.

**A recent survey of you, our members, reflected just that. I am extremely proud to report Holmes-Wayne scored an 87 in the American Customer Satisfaction Index survey. To give you a sense of how we measure up with other cooperatives nationally, the average score for a cooperative across the United States was 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 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 member, are key to the success of the co-op. We appreciate your valuable feedback to not only improve services but information on outages and vegetation management to reduce outages.**

In the past decade, the cost to generate your power has doubled, mostly because of Environmental Protection Agency (EPA)-imposed regulations on your generation facility.

The good news is Buckeye Power, our power supplier, currently has complied with all current regulations, and those costs are currently in your wholesale power costs. For the second time in the past 10 years, your cost of power generation is not projected to increase for the next year. Buckeye Power now has one of the cleanest coal-fired plants in the country. However, coal continues to be under attack by our current administration in Washington.

The pending EPA regulations on existing coal-fired plants will increase the cost of your monthly bill unless we can prevent them from becoming law. As you heard from our board chairman, we are committed to being actively involved in the legislative process. We certainly support clean air and water, but we must be reasonable to consider the economic impact on electric rates and jobs that will be affected. As a member-owned company, we feel it is our responsibility to make you aware of the options you have to keep your power safe, clean, and affordable. We will continue to remain vigilant to protect your interests. Please continue to look for updates on the status of legislative issues in your *Country Living* magazine.

In closing, I hope you have found all the investments and efforts that have been made this past year to have added value to your electric 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.