

HIGHLINE ELECTRIC ASSOCIATION

The Beacon

MARCH 2022



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Our mission is to provide our members with reliable, high-quality electricity and other needed services, which will improve their economic and social well-being and provide significant long-range benefits for our communities, our state and our nation.



HIGHLINE ELECTRIC ASSOCIATION
IS AN EQUAL OPPORTUNITY
PROVIDER AND EMPLOYER



Touchstone Energy®

A LOOK BACK AT 2021

BY DENNIS HERMAN GENERAL MANAGER



DENNIS HERMAN

mentioned in January that there would not be a rate increase in 2022 since Highline Electric Association had deferred revenue that could be used to offset anticipated losses in 2021 and 2022. You'll remember that deferred revenue is an accounting procedure authorized by HEA's lenders that allows us to set aside part of our revenue in years with strong margins and hold and recognize the revenue in a subsequent year when our margins aren't as strong. While we have not closed the books on 2021, we now have a better idea of where we will end the year. And the news is better than it was in January.

Preliminary financial results indicate operating margins in 2021 of approximately \$250,000 and non-operating margins of at least \$500,000. With these margins, we are able to meet our financial covenants without having to recognize any deferred revenue. We entered 2021 with \$2.4 million in our deferred revenue account. Contingent on Rural Utility Services approval, we will be able to carry all the \$2.4 million balance forward for recognition in future years.

Our 2021 budget contemplated the use of \$1.5 million in deferred revenue in 2021 and \$900,000 in 2022. The ability to carry this deferred revenue forward does a lot to relieve any upward rate pressure we may face in the next few years. There is also good news in the fact that our wholesale power supplier, Tri-State Generation and Transmission Association, has agreed to a 2% rate reduction, scheduled for this month, in the settlement of their rate docket at the Federal Energy Regulatory Commission. Tri-State accounts for anywhere between 72% and 75% of our total expenses, so a rate

reduction from it goes a long way to reduce upward rate pressure.

It's impossible to predict the future, especially given the volatility that COVID-19 has brought to our economy and the fact that there is some risk for upward rate pressure based on the outcome of other dockets that Tri-State has at the FERC. However, our deferred revenue and the wholesale rate reduction should help keep our rates stable over the next few years.

For a complete update on 2021 and a look forward into 2022, plan on attending the HEA Annual Meeting, which is scheduled for March 29 at the Phillips County Events Center in Holyoke. A meal will be served at 5:30 p.m. and the meeting starts at 6:30 p.m. The annual meeting will include the election of directors in four districts. Incumbent directors with terms expiring in 2022 include:

- Leo Brekel in District #1 (comprised of members in Logan, Washington, Weld and Morgan counties)
- Steve Oestman in District #2 (comprised of members in Phillips and Yuma counties)
- Ted Carter in District #3 (comprised of members in Sedgwick and Deuel counties)
- Merl Miller in District #4 (comprised of members in Chase, Dundy and Perkins counties)

I hope you have had a great start to 2022 and I look forward to sharing with you the successes and challenges your cooperative faced in 2021. I hope to see you at the annual meeting; feel free to call or contact me anytime you have questions about your cooperative.



LET US KNOW ABOUT LIFE SUPPORT

If you have anyone on life support systems at your residence, please notify Highline Electric Association. We will try to notify all consumer-members on life support systems of any planned outages. HEA will not terminate a service if a licensed physician makes a certification in writing of a medical emergency. This continuance of service will be effective for 60 days from the date of said medical certification. One 30-day extension may be granted if a second medical certification is received prior to the expiration of the initial continuance period. These provisions may be used only once during any period of 12 consecutive months.



COOPERATIVE PRINCIPLES

Highline Electric adheres to these seven cooperative principles:

1. Voluntary and open membership
2. Democratic member control
3. Members' economic participation
4. Autonomy and independence
5. Education, training and information
6. Cooperation among cooperatives
7. Concern for community

You Are Invited to Highline Electric's Annual Meeting



Highline Electric Association's 2022 Annual Meeting is fast approaching. This year marks HEA's 84th anniversary.

If pandemic conditions allow, the meeting will be Tuesday, March 29, 2022, in the Phillips County Event Center at the fairgrounds in Holyoke. Alternate plans will be made if we are unable to gather in person. Consumer-members will receive a direct mailing notice in March with the most up-to-date information regarding the meeting.

HEA Board President Mike Bennett and General Manager Dennis Herman will give their reports on the condition of the association.

This year, an election will be held for four board director positions. These positions require each nominee to be a consumer-member of HEA and comply with Article III, Section 3 of the association's bylaws.

There will be one director position from District 1, and the nominees must reside in Logan, Weld, Washington or Morgan county, Colorado. The incumbent director for this district is Leo Brekel.

There will be one director position from District 2, and the nominee must reside in Phillips or Yuma county, Colorado. The incumbent director for this district is Steve Oestman.

There will be one director position from District 3, and the nominee must reside in Sedgwick County, Colorado, or Deuel County, Nebraska. The incumbent director for this district is Ted Carter.

There will be one director position from District 4, and the nominee must reside in Chase, Perkins or Dundy county, Nebraska. The incumbent director for this district is Merl Miller.

Petitions to nominate a director were due on January 28 and the nomination period is now closed. Watch for more information about the annual meeting and director elections here in *Colorado Country Life* magazine and in direct mailings from HEA.





Energy Efficiency Tip of the Month

When was your cooling system last serviced? Most manufacturers recommend an annual tune up for your home's cooling system. March is a great time to schedule this service so you can beat the summer rush when the pros are busiest.

A qualified professional can check the amount of refrigerant, accuracy of the thermostat, condition of belts and motors and other factors that can greatly impact the efficiency of your system.

Source: Dept. of Energy



Fly Your Drone Safely

Have a new drone? Follow federal guidelines for registering your drone or getting business approval. Take the time to learn about and abide by community and state-specific legislation. Also, keep these Federal Aviation Administration safety guidelines in mind:

- Before flying the drone, check it for damage. Have a damaged drone repaired before use.
- Never fly drones higher than 400 feet.
- Do not fly the drone beyond your line of sight.
- Do not fly near airports, manned aircraft, stadiums or people.
- Do not fly for commercial purposes, unless specifically authorized by the FAA.
- Do not fly in bad weather conditions, such as low visibility or high winds.
- Never fly your drone recklessly. You could be fined for endangering people or other aircraft.

For more drone safety tips, visit safeelectricity.org.



COLORADO
Energy Office

See How Much You Can Save

Take advantage of free technical assistance, grants, rebates, and save money on your energy bills.

Over the past six+ years, the Colorado Agricultural Energy Efficiency Program has helped numerous farmers and ranchers reduce their energy bills and save million gallons of water.

Hemp producers are now eligible!

Scan Now to Learn More and Start Saving





HEA RETIREMENTS

We are delighted yet disheartened to announce that two employees, Human Resources/Executive Assistant Barb Holtzman and System Engineer Jason Depperschmidt, retired from Highline Electric Association in February.



Barb Holtzman retired from Highline Electric Association on February 2 after 23 years of service. Barb joined the cooperative family on January 6, 1999, as the clerk receptionist. Approximately nine months later she became the work order clerk, and then in 2008 took over her current role as executive assistant/HR. Prior to joining HEA, Barb worked as the secretary at the Phillips County Extension office for 15 years.

During her time with HEA, Barb has most enjoyed the people she worked with. She says, “It’s like a second family.”

In retirement, Barb looks forward to setting her own schedule. She plans on spending more time visiting her kids and grandkids, quilting, reading and decluttering the house.

“I’m grateful to Highline for the opportunity to work here,” Barb says, “It’s been a blessing to work with so many good, dedicated people. My job was a challenge but always enjoyable because of Highline employees. Thanks to all for my time here!”

We thank Barb for her 23 years of service and dedication. We wish her well in this next chapter and look forward to seeing her around the community.



Jason Depperschmidt retired from Highline Electric Association on February 11 after nearly 16 years of service.

Jason joined the cooperative family on April 13, 2006, as a system engineer. Before coming to HEA, Jason was a truck driver making deliveries mostly local around the Front Range and mountain towns.

When asked what he enjoyed most at HEA, Jason doesn’t hesitate to say, “The people.” He has always enjoyed everyone that he worked with over the years.

If you ask Jason what he’ll be doing after retirement, he’ll tell you, “Mucho siesta.” Resting aside, Jason will still be around Holyoke but plans to spend more time with his mom in Denver. He hopes to become more involved in ministry work, possibly with the Denver Rescue Mission or maybe with the prison ministry.

We thank Jason for his nearly 16 years of service and dedication to keeping the lights on. We wish him well as he embarks on his new adventure and hope to see him around — as Jason always says, “...the good Lord willing.”



Congratulations to the following HEA employees who observe an employment anniversary in March:

Mark Harshbarger	47	Robie Adams	18
Deon Skomp	29	Ryan Bingham	6
		Tracy Simpson	6

ATTENTION IRRIGATORS
 April 15 is the deadline for retiring an irrigation service to avoid paying the annual minimum.

Power to Protect

Everyone can help prevent and reduce power theft:

- Notify Highline Electric immediately if you know of an illegally connected consumer.
- Do not cut the seal on your meter base or tamper with your own meter.
- Apply for a legal connection if you do not have one.
- Remain aware of your surroundings and report any suspicious activities to Highline Electric.

For more tips on how to protect our community from power theft, visit safeelectricity.org.