



HILL COUNTY ELECTRIC'S 79TH ANNUAL MEETING OF MEMBERS

May 11th, 2024
MSU-N SUB Ballroom

Registration at 9am – Business Meeting at 10am

www.hcelectric.com

HILL COUNTY ELECTRIC
COOPERATIVE





Message from Our President

Shane Barrett

District 1

It is safe to say that over the past seventy-nine years, Hill County Electric has endured an incredible amount of change. From the creation of our cooperative and the electrification of our service area, to the challenges we face today, I am always amazed at how well our employees adapt to be able to continue serving our members, and how well our members support our goals of keeping your lights on and your power affordable.

I would like to acknowledge and thank Jim Sands for his contributions to Hill County Electric during his time with us. Since 2012, Jim has been a fantastic leader to not only his linemen, but to the entire electric crew and to our board. I would like to congratulate Jim on his retirement and wish him the best in his future endeavors. We all know that change is the only constant. This year promises to have its

own share of issues, but it is important to remember that problems often lead to new opportunities. Rate increases from our power suppliers are being discussed, and we continue to be committed to ensuring your power remains affordable. We continue to face challenges with the supply chain, yet our management and staff have done an excellent job of keeping materials in supply to ensure maintenance and capital projects can continue as they have in the past.

The team at Hill County Electric continues to provide excellent service to our membership. As with many other businesses in our local area, we face staffing shortages; but our management team has done a great job of keeping our linemen and customer service positions filled. I would like to commend the entire Hill County Electric crew for their continued hard work and dedication.

From the entire HCE board, I would like to thank you - our members - for your continued support. We look forward to seeing you at the MSU-N Sub on May 11, 2024 for this year's Annual Meeting.

Thank You,

Shane Barrett



Thank You!

Thank you, Gerald Rutledge, for your dedicated 30 years of service on the board! We wish you a joyful and fulfilling retirement ahead.



Message from Our Secretary/ Treasurer

Leslie Smith

District 3

dedication, knowledge (past and present) and presence at all the meetings. Thank you, Gerald, and enjoy your retirement! We look forward to welcoming a new board member from District 4. With that, I urge everyone to vote, when you receive your ballot in the mail or when you attend the meeting in person.

There has been much discussion in the boardroom about raising the rates here at HCE. With the costs rising on all building materials, equipment, and major components for keeping up to date with the industry, it is time. With great help from management and comparing how other co-ops around the state are dealing with this, our decision will not be taken lightly, with the rates being fair to all members.

When our board members and staff attend, whether it be the MECA statewide meetings and/or the CMEPC meetings (where we buy our power from) a camaraderie forms. Just hearing what other co-ops across the state are doing and going through helps us as directors. We strive to stay up to date with all state, regional and national electric cooperative organizations. Cooperatives need to help each other when the need arises.

Please join us May 11, 2024, at 10:00 a.m. Coffee and goodies will be available starting at 9:00 a.m. Come be a part of YOUR annual meeting! See you then!

Time flies when you are having fun and working hard. Can't believe it is annual meeting time again at Hill County Electric Cooperative, our 79th one at that!

We, management and board of trustees, encourage all members to attend your annual meeting. There is always something to learn, a great meal, a time to visit friends and neighbors, and a chance to win a prize. You don't need to be lucky because the member gift, as you register, is a \$25.00 bill credit.

Looking back over the last 4 years there has been a lot of change in the faces of the board. Change is good, but bittersweet, as with the passing of Stu and Fritz. Fresh ideas, younger faces (myself not included), and a bond that continues to grow is seen around the table. This year there will be another change to the board. After 30 years of service, Gerald Rutledge will be retiring from the board. We will miss his

Other Board Members



Nick Siebrasse
Vice President
District 5



Gerald Rutledge
District 4



Trevor Standing Rock
District 2



Message from our CEO

Craig Gates

Hill County Electric is pleased to invite you to join us for our Annual Meeting. This event marks an important milestone for our organization as we reflect on the achievements of the past year and look ahead to the future. We cordially invite all our cooperative members to come together and be a part of this significant event.

First, I want to thank Gerald Rutledge for his 30 years of service on the Hill County Electric Board of Trustees. Gerald has decided to retire from the Hill County Electric Board. We wish him the best!

The Annual Meeting is a time for us to celebrate the successes of the previous year and recognize the hard work and dedication of our team. It is also an opportunity for us to share our plans for the future and gather valuable insights from our stakeholders. We value your contribution and feedback, and this event provides us with a platform to engage with you and strengthen our relationships.

This year's Annual Meeting will be held on May 11, 2024, at the MSU-Northern Ballroom in the Student Union Building on the campus of MSU-Northern in Havre, MT. The event will include a message from our Board President; Board Secretary; other board members; Mark Majeres, CFO; and myself, Craig Gates, CEO. Mr. Majeres will highlight the financials of the cooperative and I will cover some key achievements

of the company in the past year and discuss the current state of the industry. While you are at the meeting, you will have an opportunity to speak to various departments if you have any questions. We also understand the importance of giving back to the communities and the members we serve. We strongly believe in making a positive impact in our communities, and we look forward to your support.

Attending the Annual Meeting not only allows you to learn more about your electric cooperative and its operations, but it also gives you a chance to be a part of your organization. Your presence and feedback are invaluable to us, and we highly encourage you to attend and actively participate in the meeting.

In conclusion, our Annual Meeting is an essential event for our organization, and we welcome you to join us for this celebration of our achievements and a discussion about the electric industry. We look forward to your presence and support as we continue to grow and succeed together. Registration begins at 9:00 am and the Business Meeting begins at 10:00 am.

We hope to see you at the Annual Meeting!

Thank You,

Craig Gates

Official Notice of Annual Meeting

The 79th Annual Meeting of Members of Hill County Electric Cooperative, Incorporated of Havre, Montana, will be held on Saturday, May 11th, 2024 at 10:00 a.m. in the Ballroom of the Student Union Building on the campus of Montana State University Northern in Havre, Montana, to take action on the following matters:

- The election of two trustees of the Cooperative. Voting may occur via mail or in person.
- Passing upon reports of officers, trustees and committees for the year 2023.
- Transacting such other business as may come before the meeting and any adjournments thereof.

The following members have turned in petitions to run for perspective districts in accordance to the Bylaws:

- District 4 Kelly Rutledge - PO Box 371, Big Sandy, MT 59520
District 5 Nick Siebrasse - 4996 Bullhook Rd, Havre, MT 59501

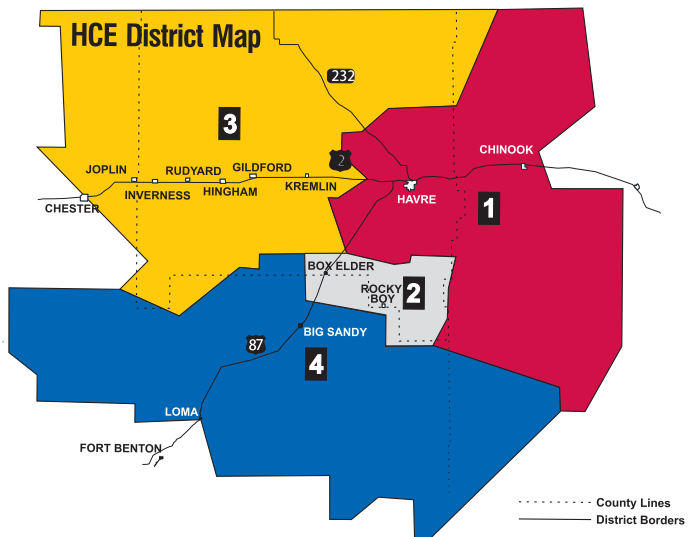
The person or persons to whom this notice is addressed indicates the name in which the membership is carried. Voting must be done by the member, or in the case of joint membership, by only one of the joint members.

Registration for the business meeting begins at 9:00 a.m. in the MSU-Northern Student Union Building. The business meeting will begin at 10:00 a.m. and a buffet lunch will begin immediately following the meeting.

Leslie Smith

District 3

Secretary & Treasurer
April 16, 2024



Financials

2023 Balance Sheet

ASSETS

The cost of our electric system is	\$56,476,706	
We estimate that it has depreciated	<u>\$25,084,651</u>	\$31,392,055
We also have:		
Cash in checking accounts	\$689,662	
Investments in Cash Equivalents	\$1,559,325	
Short-term investments	\$124,865	
Accounts Receivable:		
Electric Services	\$1,514,056	
Other Services	\$232,998	
Interest Receivable	\$10,141	
Materials & Supplies	\$1,486,554	
Prepaid Expenses:		
Dues & Subscriptions	<u>\$72,113</u>	\$5,689,714
Invested in Associated Organizations:		
NRUCFC - Certificates	\$404,008	
NISC - Capital Credits	\$50,723	
Ressco	\$121,603	
Cobank	\$89,977	
Membership & Capital Credits in various cooperatives	<u>\$88,809</u>	\$755,120
Notes Receivable		\$546,852
Invested in Long-Term Investments		\$1,045,829
Deferred Charges		\$74,810
TOTAL ASSETS		<u>\$39,504,380</u>

LIABILITIES

We have mortgage notes to RUS & NRUCFC & CoBank	\$30,869,501	
Less unadvanced & repaid	\$14,863,996	
Less current portion owed	<u>\$929,606</u>	\$15,075,899
We also owe:		
Accounts Payable	\$1,023,817	
Current portion of long-term debt	\$929,606	
Consumer Advances for Construction	\$0	
Consumer Deposits	\$36,112	
Balance of 2023 property taxes	\$276,068	
Accrued payroll taxes	\$44,582	
Accrued vacations & holiday	\$284,735	
Accrued interest	<u>\$12,765</u>	\$2,607,685
Deferred Credits		\$332,339

CAPITAL

Patronage capital & other equities		\$21,488,457
TOTAL LIABILITIES & CAPITAL		<u>\$39,504,380</u>

2023-2022 Comparative Operating Statement

	2023	2022
OPERATING REVENUE		
Electric energy sales	\$17,485,745	\$17,162,905
Other electric revenue	\$560,894	\$438,537
TOTAL OPERATING REVENUES	\$18,046,639	\$17,601,442
OPERATING REVENUE DEDUCTIONS		
Cost of power	\$10,758,980	\$10,284,247
Electric plant operation expense	\$913,553	\$820,102
Electric plant maintenance expense	\$1,309,534	\$1,301,566
Consumer accounts expense	\$372,627	\$396,675
Customer service & sales expense	\$64,526	\$64,184
Administrative and general	\$1,389,630	\$1,335,591
Annual meeting expenses	\$29,415	\$35,483
Depreciation	\$1,645,758	\$1,598,755
Taxes	\$551,120	\$568,957
Interest	\$414,888	\$436,636
Miscellaneous	\$29,378	\$31,853
TOTAL OPERATING EXPENSE	<u>\$17,479,409</u>	<u>\$16,874,049</u>
Operating margins	\$567,230	\$727,393
Non-operating margins	\$929,823	\$630,366
TOTAL MARGINS	<u>\$1,497,053</u>	<u>\$1,357,759</u>

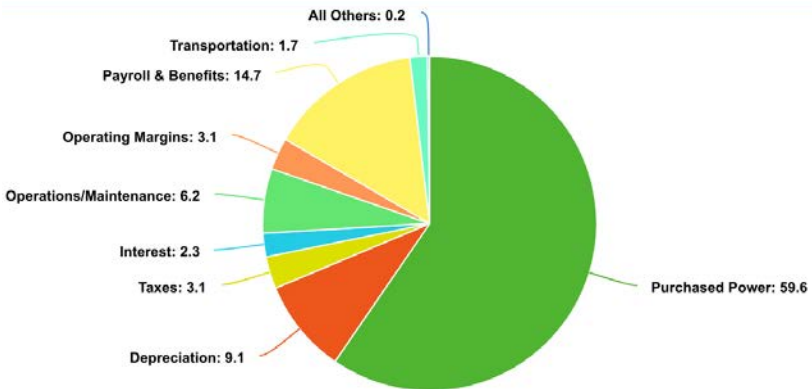
USE OF YOUR 2023 - 2022 ELECTRIC DOLLAR

		2023	2022
Purchased Power	59.6%	\$10,758,980	\$10,284,247
Depreciation	9.1%	\$1,645,758	\$1,598,755
Taxes	3.1%	\$551,120	\$568,957
Interest	2.3%	\$414,888	\$436,636
Operations/Maintenance	6.2%	\$1,114,441	\$1,015,093
Operating Margins	3.1%	\$567,230	\$727,393
Payroll & Benefits	14.7%	\$2,657,550	\$2,607,418
Transportation	1.7%	\$301,159	\$311,270
All Others	0.2%	\$35,513	\$51,673
TOTALS	100.00%	\$18,046,639	\$17,601,442

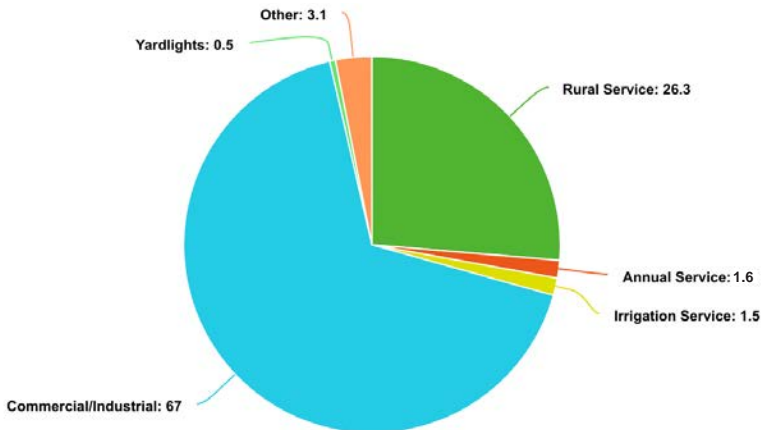
SOURCES OF YOUR 2023 - 2022 ELECTRIC DOLLAR

		2023	2022
Rural Service	26.3%	\$4,753,113	\$4,926,845
Annual Service	1.6%	\$279,582	\$295,386
Irrigation Service	1.5%	\$262,460	\$342,246
Commercial/Industrial	67%	\$12,097,564	\$11,508,058
Yardlights	0.5%	\$93,026	\$90,370
Other	3.1%	\$560,894	\$438,537
TOTALS	100.00%	\$18,046,639	\$17,601,442

Use of Your 2023 - 2022 Electric Dollar



Sources of Your 2023 - 2022 Electric Dollar



Board Member Nominee Bios

The election for our Trustees will be held by mail or in-person voting at the Annual Meeting. HCE has Districts 4 and 5 up for election this year.

District 4

Kelly Rutledge

My name is Kelly Rutledge. I am running for a trustee position with Hill County Electric for District 4. I am a Chouteau County resident, farming and ranching on our centennial cattle and grain operation.

My wife Kristie and I have been married for almost 29 years. She serves several schools as a school psychologist for Bear Paw Cooperative, and we have 3 amazing, adult children; Brantly, Andrea & Lance and one adorable granddaughter. I am a 4th generation farmer and rancher from Big Sandy, where I was born and raised. I have primarily been a farmer and rancher, though have also worked in a variety of sales positions.

I have had the pleasure to serve on a variety of local, county, and state boards; including currently serving on the Big Sandy School Board where I serve as chairman, Chouteau County Soil Conservation Board where I currently serve as the chairman, Northern Ag Research Center Council board member. Formerly, I served on additional boards including Chouteau County Fair Board member serving as vice-chair, and director with Montana Farmers Union. Additionally, I have served as a 4-H leader and am active with our local and state FFA Alumni.

Hill County Electric is a vital part of our communities, and I look forward to connecting with all members and working hard to make informed, fiscally responsible decisions. Having served on a variety of boards, while being a consumer and farm/ranch owner, I feel that I have a unique understanding coupled with the skills necessary to serve you, the member owners, well. I would greatly appreciate your vote and support in the upcoming election.

Thank you,
Kelly Rutledge

District 5

Nick Siebrasse

Friends and Neighbors,

My first three year term as your District 5 (at large) trustee is already over. It has been a very rewarding learning experience representing your interests within our ever-changing energy sector. The privilege to serve you as a voice for our rural community has been a great pleasure.

The industry is under tremendous pressure from uninformed, misguided representatives who want to eliminate all fossil fuels (base load, dispatchable energy, and the like) without reliable, proven alternatives in place. We must provide loud, unified, and informed input to our elected officials so they understand the issues we in our communities and the country

face, especially when the wind isn't blowing, the sun isn't shining, and the temperature is -40!

In the last three years, I have learned a lot about our electric industry and our cooperative principles that keep our rural communities supplied with safe, affordable and reliable energy now and into the future.

I would appreciate your vote so I may continue to fight for our cooperative, our communities, and our way of life in rural Montana.

Thank you,
Nick Siebrasse

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WITH AUTO PAY



Switch to Auto Pay with Paperless Billing to receive a \$1 monthly bill credit. Plus, receive a \$10 one-time credit AND be entered into a monthly drawing for a \$50 bill credit!

YOUR LOCAL ELECTRICAL EXPERT

TERRY O'LEARY MASTER ELECTRICIAN

With over 20 years in the electrical field, Terry is available to assist members with all their electrical needs.

- Building meter loops
- Maintaining, installing & repairing electrical wiring
- And more!



CALL TERRY AT
406-394-2832 TO
REQUEST ELECTRICAL WORK TODAY!

**COMMITTED TO THE JOB.
COMMITTED TO SAFETY.
COMMITTED TO YOU, OUR MEMBERS.**



**HOME BACKUP
GENERATORS
AVAILABLE**

INQUIRE TODAY!





Luck of the Draw Scholarships

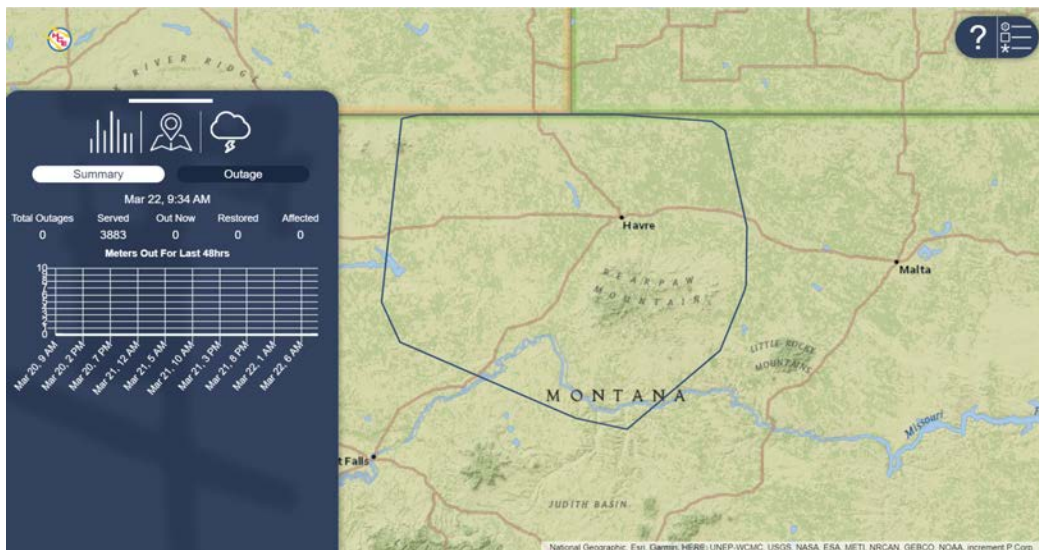
HCE members or member-dependents who will be an undergraduate student enrolled in college for the upcoming fall will win a “Luck of the Draw” scholarship for attending the HCE Annual Meeting! We will draw for two \$500, one \$300, and one \$200 scholarships. \$100 scholarships will be awarded to those eligible and in attendance that have not already been awarded a scholarship.

Be sure to complete your entry form during registration or download it from hcelectric.com and bring it to the meeting.

Applicant and parent or guardian (if a member dependent) must be present to win. A \$100 minimum scholarship is guaranteed for each eligible applicant.

Did you know we have an interactive Power Outage Map?

Visit Outage Central on our website (www.hcelectric.com) to see in real-time where our outages are and how many members are affected.



Congratulations to Alice Bold and Parker Hansen for being selected to represent HCE on the 2024 Youth Tour to Washington, DC!

We are proud to announce two well deserving students will be representing HCE on the National Rural Electric Cooperative Association Youth Tour to Washington, DC in June.



Congratulations to our Scholarship winners!



Laynie Sattoriva
\$500 MECA



Lily Wickum
\$500 MECA



Laramie Peterson
\$1,000 Tell Us Your Story



Sophie Reichelt
Box Elder Schools
Teacher Appreciation Program



Easy Payments with SmartHub® App

View usage, bill statements and make payments from your phone. Select HCE by location or name and register using your account number.

2024 Meeting Agenda

Registration • 9:00 A.M.

Business Meeting • 10:00 A.M.

Call To Order

Invocation

Pledge of Allegiance

Determination of Quorum

Reading of “Notice of Meeting” & “Affidavit of Mailing”

Members to Take Necessary Action on Minutes

Reports from Officers & Trustees

CEO/General Manager’s Report

Presentation of Financial Report

Reports from Special Guests

Video Presentation

Election of Trustee

Scholarship Winner Drawings & Presentations

Youth Tour Presentation

Unfinished Business

New Business

Meeting Adjourned

Buffet Luncheon

Prize Drawings

**ALL MEMBERS
ATTENDING
RECEIVE A \$25
BILL CREDIT**

\$25
Bill Credit

Certificate of Voting Authorization of Corporation, Unincorporated Association, or School District Holding a Membership in Hill County Electric Cooperative, Inc.

The undersigned does hereby certify that he or she has been duly & regularly appointed to represent the below-mentioned corporation, unincorporated association or school district at the annual members' meeting to be held May 11, 2024 and to cast the vote for said corporation, association or school district upon each matter submitted to a vote of the members of the cooperative at said meeting.

Dated, this _____ day of May 11, 2024.

Signature of Authorized Voting Representative

Name of Corporation, Unincorporated Association

or Number _____ & County _____ of School District.

Witnessed By: _____

Title: _____

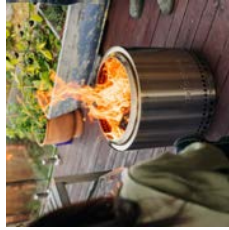
Representative and witness must be officers, directors, trustees or official designees of the organization being represented.

If applicable, please bring completed form to your Annual Meeting.



P.O. Box 2330 • Havre, MT • 59501-2330

PICK YOUR GRAND PRIZE!



OR



*Solo Stove
Bonfire Backyard
Bundle 2.0*