

HILL COUNTY ELECTRIC'S 80TH ANNUAL MEETING OF MEMBERS



May 10th, 2025

Registration Opens: 9am

Meeting Starts: 10am

NEW LOCATION THIS YEAR

**The Annual Meeting will be on the HCE Campus
2121 US Hwy 2, Havre MT**

www.hcelectric.com

**HILL COUNTY ELECTRIC
COOPERATIVE**





Message from Our President

Shane Barrett

District 1

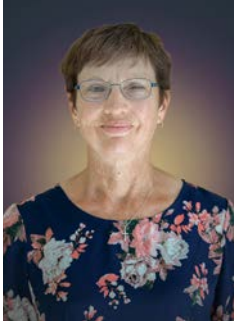
80TH ANNIVERSARY

May 10th, 2025, marks the 80th annual Meeting of Members of Hill County Electric. 80 years of electric service being provided to the rural areas of north central Montana is quite an accomplishment. As I sit here writing this message, I think of the change and evolution of the industry and our membership. From the start in 1935 with the establishment of the Rural Electrification Administration (REA) and then in 1937 with the drafting of the Electric Cooperative Corporation Act, electric cooperatives have been focused on providing affordable, reliable electric services to their member owners. Today, that is still Hill County Electric's mission: providing you, our members, with an affordable and reliable electric service.

Since Hill County Electric's incorporation in 1945, advances in technology have changed many parts of the industry. Equipment with better working capacities and more reliability has helped our linemen perform their duties safer and more efficiently, helping to keep services more reliable. As technology advances some components become obsolete, making reliability a concern. Due to technological advances, starting in 2025, HCE crews will begin a metering system upgrade. This upgrade will help the crews and support staff pinpoint outages quicker and more accurately, along with providing data to help HCE become more efficient. The HCE Board is looking forward to this upgrade and the increased reliability it can provide for our members.

The HCE team continues to provide excellent service to our members, and the HCE board and I would like to thank them for their dedication and hard work over the last year. We greatly appreciate their dedication to ensuring our member owners have great service.

From the entire HCE board, I would like to thank you, our members, for your continued support. We look forward to seeing you at our new location for the 80th Annual Meeting: Building 8 on the HCE/TTC campus, May 10th, 2025.



Message from Our Secretary/ Treasurer

Leslie Smith

District 3

With all the new technology available to us there is still nothing better than attending your Hill County Electric (HCE) Annual meeting in person. In the last 80 years of this cooperative the changes are mind boggling, but coming together to hear about the updates, concerns and issues pertaining to the future of where our power comes from are very important. With the change in the site of our annual meeting from the MSU-N Sub to the grounds of HCE located at Building 8, we are lowering costs and utilizing our excellent facility. So please join us for the reports, fellowship, meal and chances for a prize.

We, your board of directors of HCE, continue to keep current of all local, state and national changes that affect the reliability, cost and safety of the power that comes to you. You are represented well at all statewide and some national meetings. Our education is ongoing to keep us abreast of rules, regulations and ideas.

Our management team and all the employees at HCE are second to none and we thank them for the great job that they do for you and our cooperative every day!

One of our roles as directors is to select the winners of the scholarships that HCE offers. It is great to see the accomplishments and goals of the students that apply. It is always a difficult decision to make because of the quality of each application and the hard work of the applicants. HCE also offers a Teacher Appreciation Scholarship to help keep teachers in our area.

Our commitment to each one of you is always reliable, affordable and safe electricity. As the cost of power, vehicles, poles and wire continue to rise, we at HCE strive to make the best decisions concerning what we charge our members for their power. Another issue in the price of power is the source. With the national issues of dam breaching, push for more wind and solar, and the price of natural gas, comes the need for other options, such as nuclear power. The need for electricity is growing astronomically with the development of AI and bitcoin.

With that I invite you all to your 80th Annual Meeting, May 10th on the HCE grounds, Building #8. Coffee and goodies available at 9:00 a.m. Meeting to start at 10:00.

Other Board Members



Nick Siebrasse
Vice President
District 5



Kelly Rutledge
District 4



Trevor Standing Rock
District 2



Message from our CEO

Craig Gates

For 80 years, Hill County Electric Cooperative (HCE) has been a cornerstone of rural life, a testament to the power of community and a steadfast commitment to serving its members. From humble beginnings in a courthouse basement, HCE's journey reflects the dedication and vision of its early members, who sought to create a better future.

HCE was officially organized in October 1945 and founded the following month. Just months later, on April 19, 1946, the cooperative received its first loan from the Rural Electrification Administration (REA), followed by a second loan on November 14, 1946, to continue its expansion. Many of our early members still fondly refer to HCE as the local REA, recognizing the funding source that helped bring electricity to their communities.

Progress moved swiftly. On December 10, 1946, survey crews began their work, and by December 23, construction was underway. Within a year, 60 miles of energized lines were serving 35 excited members. By 1948, HCE had completed and energized 400 miles of line, extending power to rural schools. By December 1969, the cooperative had expanded to 3,120 miles of pole lines, and by 1982, it was serving over 3,000 members, an impressive feat given the equipment and technology available at the time.

In HCE's early years, employees went beyond just providing power, they also educated members on how to use their new electric appliances. Demonstration appliances were available in the office, helping members make the most of their newfound access to electricity.

As the cooperative grew, so did the need for space. In May 1951, HCE moved into a new office building at 109 W 2nd Street. Then, in 1976, the cooperative relocated to its current headquarters at 2121 US Highway 2 NW, where it has continued to expand over the years.

The early years were not without challenges. HCE faced equipment shortages, an inexperienced workforce, harsh seasonal weather, and the complexities of trenching underground lines. Even now, 80 years later, challenges persist, but just as in the beginning, we work through them with the same determination and commitment to our members.

HCE's story is also part of the broader narrative of rural electrification in Montana. In 1967, the state had 24 Rural Electric Cooperatives serving 53,000 families. Today, the Montana Electric Cooperative Association (MECA) serves a vast network of 187,407 members, equating to 263,643 meters. Electric cooperatives across the state continue to play a vital role in providing reliable and affordable power to rural communities.

As Hill County Electric Cooperative celebrates its 80th anniversary, we take pride in carrying forward the legacy that began eight decades ago. From a small room in the courthouse basement to the location where we are hosting this year's Annual Meeting, our dedication remains unwavering. You, our members, are the reason we strive every day to provide the exceptional service you expect and deserve.

A heartfelt thank you to each and every one of you, especially to our current and former employees, whose commitment to service and safety has always been our top priority. Here's to the next 80 years!

Thank You,
Craig Gates

Official Notice of Annual Meeting

The 80th Annual Meeting of Members of Hill County Electric Cooperative, Incorporated of Havre, Montana, will be held on Saturday, May 10th, 2025 at 10:00 a.m. on the HCE Campus at 2121 US Hwy 2 in Havre, Montana, to take action on the following matters:

- Voting may occur via mail or in person.
- The election of one trustee and the proposed Bylaw Amendments.
- Passing upon reports of officers, trustees and committees for the year 2024.
- Transacting such other business as may come before the meeting and any adjournments thereof.

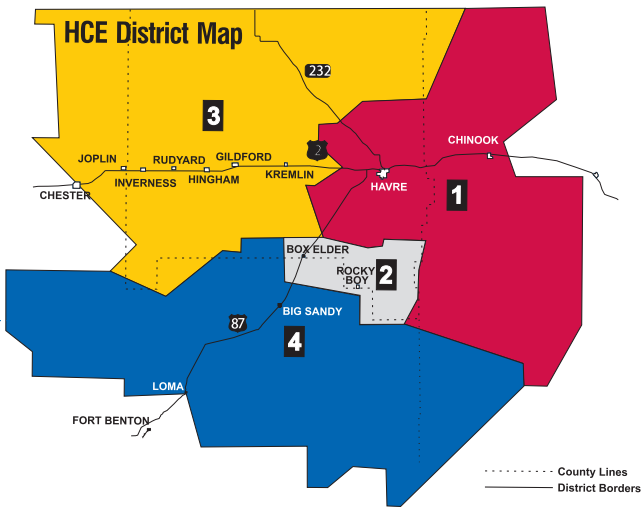
The following members have turned in petitions to run for perspective districts in accordance to the Bylaws:

District 1 Shane Barrett - 7277 Bullhook Rd, Havre, MT
Tyler De La Vega - 270 71st Ave W, Havre, MT

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. on the HCE Campus at 2121 US Hwy 2 in Havre, Montana. 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, 2025



Financials

2024 Balance Sheet

ASSETS		
The cost of our electric system is	\$57,965,808	
We estimate that it has depreciated	<u>\$26,605,140</u>	\$31,360,668
We also have:		
Cash in checking accounts	\$525,585	
Investments in Cash Equivalents	\$1,655,855	
Short-term investments	<u>\$124,865</u>	
Accounts Receivable:		
Electric Services	\$1,521,537	
Other Services	<u>\$224,675</u>	
Interest Receivable	\$13,249	
Materials & Supplies	<u>\$1,363,599</u>	
Prepaid Expenses:		
Dues & Subscriptions	<u>\$57,877</u>	\$5,487,242
Invested in Associated Organizations:		
NRUCFC - Certificates	\$404,008	
NISC - Capital Credits	\$50,159	
Ressco	\$171,073	
Cobank	<u>\$93,573</u>	
Membership & Capital Credits in various cooperatives	<u>\$42,908</u>	\$761,721
Notes Receivable		\$479,157
Invested in Long-Term Investments		\$1,040,334
Deferred Charges		<u>\$91,522</u>
TOTAL ASSETS		<u>\$39,220,644</u>
LIABILITIES		
We have mortgage notes to RUS & NRUCFC & CoBank	\$30,869,501	
Less unadvanced & repaid	\$15,626,402	
Less current portion owed	<u>\$978,021</u>	\$14,265,078
We also owe:		
Accounts Payable	\$960,543	
Current portion of long-term debt	\$978,021	
Consumer Advances for Construction	\$0	
Consumer Deposits	\$33,072	
Balance of 2024 property taxes	\$273,284	
Accrued payroll taxes	\$47,735	
Accrued vacations & holiday	\$290,273	
Accrued interest	<u>\$ 11,625</u>	\$2,594,553
Deferred Credits		\$197,683
CAPITAL		
Patronage capital & other equities		<u>\$22,163,330</u>
TOTAL LIABILITIES & CAPITAL		<u>\$39,220,644</u>

2024-2023 Comparative Operating Statement

	2024	2023
OPERATING REVENUE		
Electric energy sales	\$17,652,400	\$17,485,745
Other electric revenue	<u>\$577,881</u>	<u>\$560,894</u>
TOTAL OPERATING REVENUES	\$18,230,281	\$18,046,639
OPERATING REVENUE DEDUCTIONS		
Cost of power	\$10,949,375	\$10,758,980
Electric plant operation expense	\$833,065	\$913,553
Electric plant maintenance expense	\$1,475,749	\$1,309,534
Consumer accounts expense	\$317,242	\$372,627
Customer service & sales expense	\$54,505	\$64,526
Administrative and general	\$1,452,670	\$1,389,630
Annual meeting expenses	\$23,546	\$29,415
Depreciation	\$1,682,857	\$1,645,758
Taxes	\$561,795	\$551,120
Interest	\$391,589	\$414,888
Miscellaneous	<u>\$29,270</u>	<u>\$29,378</u>
TOTAL OPERATING EXPENSE	<u>\$17,771,663</u>	<u>\$17,479,409</u>
Operating margins	\$458,618	\$567,230
Non-operating margins	<u>\$502,276</u>	<u>\$929,823</u>
TOTAL MARGINS	<u>\$960,894</u>	<u>\$1,497,053</u>

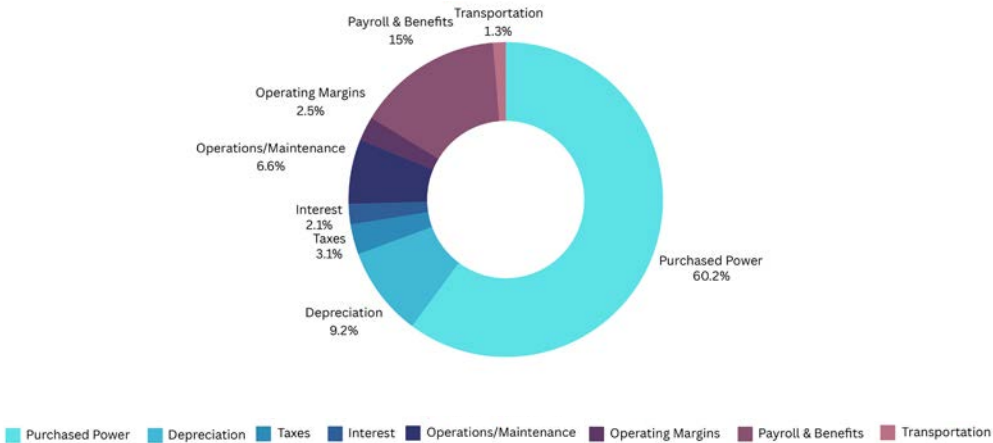
USE OF YOUR 2024 - 2023 ELECTRIC DOLLAR

		2024	2023
Purchased Power	60.1%	\$10,949,375	\$10,758,980
Depreciation	9.2%	\$1,682,857	\$1,645,758
Taxes	3.1%	\$561,795	\$551,120
Interest	2.1%	\$391,589	\$414,888
Operations/Maintenance	6.6%	\$1,198,662	\$1,114,441
Operating Margins	2.5%	\$458,618	\$567,230
Payroll & Benefits	15%	\$2,738,485	\$2,657,550
Transportation	1.3%	\$245,560	\$301,159
All Others	0.0%	\$3,340	\$35,513
TOTALS	100.00%	\$18,230,281	\$18,046,639

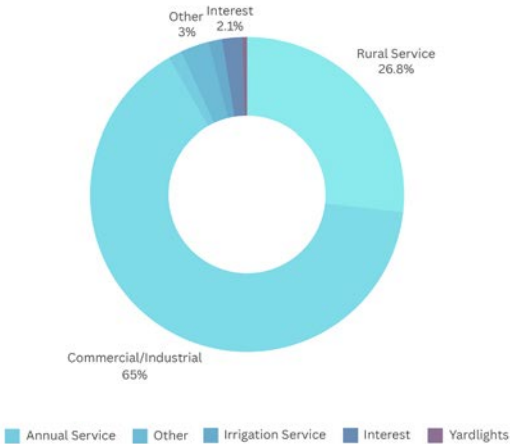
SOURCES OF YOUR 2024 - 2023 ELECTRIC DOLLAR

		2024	2023
Rural Service	27.2%	\$4,951,623	\$4,753,113
Annual Service	1.4%	\$261,894	\$279,582
Irrigation Service	1.4%	\$255,839	\$262,460
Commercial/Industrial	66.3%	\$12,083,638	\$12,097,564
Yardlights	0.5%	\$99,406	\$93,026
Other	3.2%	\$577,881	\$560,894
TOTALS	100.00%	\$18,230,281	\$18,046,639

Use of Your 2024 - 2023 Electric Dollar



Sources of Your 2024 - 2023 Electric Dollar



Proposed Bylaw Changes

Summary

SECTION 3.03. Notice of Members' Meetings.

This proposed bylaw change is to increase the number of days for the notice of the annual meeting to be sent out. With the advent of mail-in balloting this requested change is to coincide with the notice and to allow enough time for mail in ballots to arrive and be returned. The board respectfully requests that you accept this bylaw change.

SECTION 3.03. Notice of Members' Meetings.

Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be given to each member, either personally or by mail, not less than ten (10) days nor more than ~~ninety (90) twenty-five (25)~~ days before the date of the meeting. Such notice shall be given by or at the direction of the Secretary, or upon a default in the duty by the Secretary, by the persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at such member's address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meetings.

(NEW) SECTION 3.03. Notice of Members' Meetings.

Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be given to each member, either personally or by mail, not less than ten (10) days nor more than ninety (90) days before the date of the meeting. Such notice shall be given by or at the direction of the Secretary, or upon a default in the duty by the Secretary, by the persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at such member's address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

Summary

SECTION 3.06. Voting List.

This proposed bylaw change clarifies when the complete list of members is compiled for both the annual meeting and mail in/online voting. The board respectfully requests that you accept this bylaw change.

SECTION 3.06. ~~Record Date and~~ Voting List.

~~A “record date” is the date for determining the total membership of the Cooperative and the members entitled to: (a) sign a member petition, request, demand, consent, appointment or similar document; (b) receive a mail ballot, notice of a member meeting or similar document; or (c) vote or otherwise act.~~

~~The Board may fix the record date, but such record date must not be more than forty-five (45) days before: (a) the date the first member signs a member petition, request, demand, consent, appointment or similar document; (b) the date a mail ballot, notice of member meeting or similar document is due or required; or (c) the date of a member meeting. Unless otherwise provided by the Board, a record date: (a) for signing a member petition, request, demand, consent, appointment or similar document, is the date the Cooperative receives the document; (b) for receiving a mail ballot, notice of a member meeting or similar document, is the date thirty (30) days before the document is due or required; and (c) for voting or otherwise acting at a member meeting, is the date fifteen (15) days before the member meeting.~~

~~The record date for determining the total membership of the Cooperative and the members entitled to notice of, or to vote at, a member meeting is effective for a member meeting adjourned to a date not more than 120 days after the original member meeting date.~~

At least fifteen (15) days before ~~the annual~~ ~~each~~ meeting of the members, the Secretary shall make a complete list ~~as of the record date~~, arranged in alphabetical order, of the members entitled to vote at such meeting and their addresses. Such list shall be produced and kept open at the time and place of the meeting and shall be subject to inspection by any member during the whole time of the meeting.

(NEW) SECTION 3.06. Voting List. At least fifteen (15) days before the annual meeting of the members, the Secretary shall make a complete list, arranged in alphabetical order, of the members entitled to vote at such meeting and their addresses. Such list shall be produced and kept open at the time and place of the meeting and shall be subject to inspection by any member during the whole time of the meeting.

Summary

SECTION 4.06. Nominations.

As the cooperative has found by doing mail-in balloting, it requires additional time before a meeting to prepare. To accommodate this additional time for those members who are running for a trustee position, the board is asking for those petitions to be received at least 90 days before the annual meeting. This gives those running the ability to petition and start running earlier than in the past and ensure that they are on the ballot.

The board wants to add a provision to protect the cooperative by making sure that the nominees can obtain Director and Officer (D & O) insurance if they are elected. The board is asking to add a felony conviction background check to trustee nominations before being placed on the ballot. The board requests to remove the printing of the nominee's addresses in the notice.

The board respectfully asks for your support of this bylaw change to help the cooperative have enough time for everyone who wants to run for the board and to give enough time for the mail-in process to work.

SECTION 4.06. Nominations.

Any fifteen or more Cooperative members, acting together, may make nominations by written petition containing the name(s) and address(es) of the nominee(s) and the District from which each is nominated, and the signatures, printed names and addresses of the petitioners. The petitioners must deliver the petition so that it is received at the Cooperative's principal office at Havre, Montana, not less than ~~forty-five (45)~~ **ninety days (90)** days prior to the annual member meeting. The Secretary shall post such nominations at the Cooperative's principal office. The Secretary shall mail, with the notice of the annual member meeting or separately, but at least seven (7) days before the date of the annual member meeting, a statement of the number of trustees to be elected from each District, the names and addresses of the nominees and the District from which each is nominated, if any.

All nominees must pass a background check for felony convictions prior to their name being placed on the ballot. The association will pay for and administer the background check.

Members may not nominate a person, even if otherwise qualified under Section 4.05 of these bylaws, to stand for election as trustee for more than one District at the same trustee election. No person may serve or be elected to serve as trustee for more than one District at the same time.

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





Luck of the Draw Scholarships

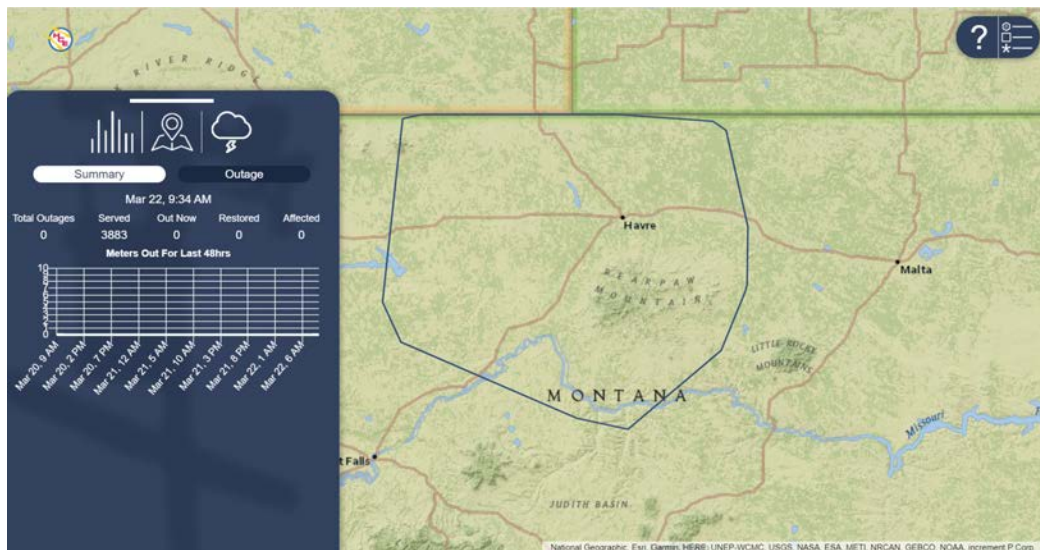
HCE members or member-dependents who will be an undergraduate student enrolled in college for the upcoming fall will win a “Luck of the Draw” scholarship for attending the HCE Annual Meeting! We will draw for two \$500, one \$300, and one \$200 scholarships. \$100 scholarships will be awarded to those 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 Dirk Wolery and Luke Stevenson for being selected to represent HCE on the 2025 Youth Tour to Washington, DC!



Congratulations to our Scholarship winners!



Lance Rutledge
MECA Memorial 1st Place
Basin Central



Cadence Kallenberger
MECA Memorial 2nd Place
Basin 2nd Place



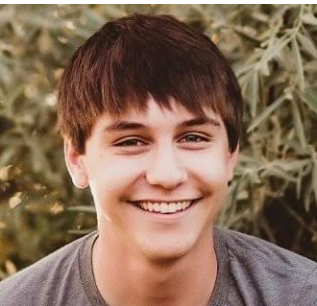
Gracie Skoyen
Tell Us Your Story



Keaten Chinadle
Trades Scholarship



Reinhard Bold
Trades Scholarship



Colton Spicher
Basin 1st Place



Kohen Sullivan
Lineman Scholarship



Laura Dailey
Chester-Joplin-Inverness Public Schools
Teacher Appreciation Program

VISIT OUR WEBSITE
TO SEE ALL OF
OUR SCHOLARSHIP
OPPORTUNITIES!

2025 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

Bylaw Changes

Election of Trustee

Scholarship Winner Drawings & Presentations

Youth Tour Presentation

Unfinished Business

New Business

Meeting Adjourned

Buffet Luncheon

**ALL MEMBERS
ATTENDING
RECEIVE A
CUSTOM MUG!**



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 10, 2025 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 10, 2025.

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



Yeti Power Station