



A Touchstone Energy Cooperative 

OFFICIAL NOTICE OF 2018

# ANNUAL MEETING

## 79<sup>TH</sup> ANNUAL MEETING

Thursday, November 1, 2018 • 6 p.m. • Crockett Civic Center in Crockett

Every fall, Houston County Electric Cooperative members, directors and employees gather to discuss important cooperative business. It is important that a quorum is present at the meeting, either through your attendance or your submission of a signed proxy card.

If you are unable to attend this year's meeting, please sign, date and return the postage-paid proxy card on the back cover.

By returning your signed proxy card, you authorize the board of directors to represent you at your cooperative's annual meeting and cast a vote on your behalf. Use the proxy card if you choose not to attend or if you do not plan to vote by written ballot at the annual meeting.

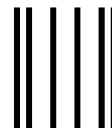




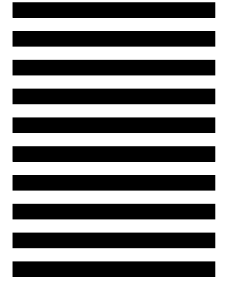
If you **WILL NOT** be attending the HCEC annual meeting, please

# FILL OUT AND RETURN THIS CARD!

*Must be received by October 31*



NO POSTAGE NECESSARY IF MAILED IN THE UNITED STATES



**BUSINESS REPLY MAIL**  
FIRST-CLASS MAIL PERMIT NO. 7 CROCKETT TX

POSTAGE WILL BE PAID BY ADDRESSEE

HOUSTON COUNTY ELECTRIC COOPERATIVE  
PO BOX 52  
CROCKETT TX 75835-9977



**Don't forget to sign, date and return the proxy card if you WILL NOT be attending the annual meeting.**



## 2018 HOUSTON COUNTY EC ANNUAL MEETING

Members will hear a cooperative report, learn of milestones that we reached in 201 and be entered in a drawing for door prizes.

We hope you'll join us for business, fellowship and fun.

## HOUSTON COUNTY ELECTRIC COOPERATIVE ANNUAL MEETING LOCATION

**Crockett Civic Center**  
**1100 Edmiston Drive, Crockett 75835**  
(Behind Cowboy Trailer Sales on East Loop 304)

### REGISTRATION

When you arrive at the annual meeting, stop by the registration table. A member service representative will ask you to verbally verify your account. You will then officially be marked as present at the meeting and receive your gift bag and ticket for door prizes.

For more information, call 1-800-657-2445 during business hours, or visit [houstoncountyelec.com](http://houstoncountyelec.com).



# PROXY

As a member of Houston County Electric Cooperative Inc. (“the cooperative”), I hereby appoint the board of directors of the cooperative as my agent and proxy to represent me at the cooperative’s annual meeting of the members to be held at the Crockett Civic Center on Loop 304 in Crockett at 6 p.m. on Thursday, November 1, 2018. I authorize the cooperative’s board of directors, as my agent and proxy, to cast my vote on all matters coming before the cooperative’s annual meeting of the members.



If you **WILL NOT** be attending the HCEC annual meeting, please

## FILL OUT AND RETURN THIS CARD!

*Must be received by  
October 31*



**SIGNED** Signature of HCEC member must be the same name as printed above.

DATE

PHONE NUMBER



**Don't forget to sign, date and return the proxy card if you WILL NOT be attending the annual meeting.**

**Thursday, November 1, 2018**  
**Crockett Civic Center | 1100 Edmiston Drive**

### PROGRAM

<b>DOORS OPEN</b>	<b>4 p.m.</b>
<b>MEMBER-OWNER REGISTRATION</b>	<b>4-5:45 p.m.</b>
<b>INFORMATION BOOTHS, GAMES AND CATFISH DINNER</b>	<b>4-5:45 p.m.</b>
<b>BUSINESS MEETING</b>	<b>6 p.m.</b>

It is the responsibility of each member to attend this annual meeting so that a quorum will be present to transact the business of the cooperative. To attend the meeting, you should be present at the Crockett Civic Center in Crockett on Thursday, November 1, at 6 p.m. To be eligible for the prize drawings, you must register before the meeting begins.



The Pineywoods Leos Club will help serve and assist HCEC member-owners during their meal.

# A Solid Foundation



## MESSAGE FROM GENERAL MANAGER KATHI CALVERT

**IN EVERY SUCCESSFUL ORGANIZATION YOU** will find strong individuals behind the scenes supporting the overall mission. At Houston County EC we are fortunate to have talented individuals in accounting, human resources and information technology providing the support we need to operate. We are able to “Provide Power for Your Way of Life” because we have people ensuring bills are paid, computer systems are working and employees receive a paycheck.

### Accounting and Human Resources

There is a tremendous amount of data and paperwork flowing through our office on any given day. We have new construction jobs in progress, bills going out the door, payments being received, time tickets for work performed, purchase orders gen-



erated and invoices from outside service providers. All our business transactions ultimately flow through to our Accounting/ Human Resource department. This department pays attention to detail ensuring the accuracy of our financial statements.

However, they have a more important role.

Accounting/Human Resources create process controls which provide the checks and balances to protect the financial integrity of your co-op while serving the needs of our employees. Employees are our greatest asset. We are actively protecting your investment not simply with financial controls, but also by supporting our employees.

### Information Technology

Often we take routine tasks for granted. Just like you expect your lights to come on when you flip the switch, we turn our computers on and expect everything to work. However, when computers and communication systems do not work as expected, we turn to our System Administrator. Our business is dependent on technology, from our Outage Management System to our Customer Information System. We rely on networks, systems and applications to provide quality service to our membership. Our Information Technology department (of one) keeps us up and running!

We also safeguard our digital resources protecting your private data as well as ensuring stability of the electric grid. Many of you may have seen news stories about the vulnerability of the electric grid. We are fully aware of threats and make cyber security a priority. We have a quarterly employee training program on cyber security awareness and utilize outside firms to evaluate the effectiveness of network defenses. We are currently working with a Cyber Security Advisor from the Department of Homeland Security to further protect our systems.

Our accounting, human resources and information technology groups maintain and protect day-to-day business operations allowing us to focus on providing affordable, reliable service to you, our member. While often less visible, these individuals are valuable. They provide the solid foundation from which we operate, and we appreciate their dedication and commitment to our members.



A Touchstone Energy Cooperative

2018

SAFE,  
RELIABLE,  
AFFORDABLE  
ENERGY.

THEN.  
NOW.  
ALWAYS.

WE ARE PROUD TO  
PROVIDE POWER FOR  
YOUR WAY OF LIFE.

**OCTOBER IS NATIONAL CO-OP MONTH.**

**COME CELEBRATE YOUR CO-OP  
AND YOUR MEMBERSHIP ON  
NOVEMBER 1  
AT THE 79<sup>TH</sup>  
ANNUAL MEETING  
OF MEMBERS**

**DOORS OPEN AT 4 P.M.  
CROCKETT CIVIC CENTER**



## Houston County Electric Cooperative

P.O. Box 52, Crockett, TX 75835

### GENERAL MANAGER

Kathi Calvert

### BOARD OF DIRECTORS

- Dan Courmier, President
- Kennon Kellum, Vice President
- Mitchell Huff, Secretary-Treasurer
- Mary L. Pearl Adams
- William Emmons
- Kay Reed
- Charles "Chuck" Siems
- Grady Wakefield
- David Whittlesey

## Contact Us

**TO REPORT A POWER OUTAGE,  
CALL OUR 24-HOUR HOTLINE**

**1-800-970-4232** toll-free

### BUSINESS HOURS

Monday–Friday, 8 a.m.–5 p.m.

### CUSTOMER SERVICE

*For general information  
during business hours*

**(936) 544-5641** local

**1-800-657-2445** toll-free

To report an outage or other problem with electrical service, press 1.

To make a payment over the phone or speak with a member services representative in the billing department, press 2.

For electrical connects, transfers and disconnects, press 5.

For directions to our office, mailing address or fax number, press 6.

For satellite internet services, press 7.

### FIND US ON THE WEB

**houstoncountyelec.com**

**FIND US ON FACEBOOK,  
TWITTER AND INSTAGRAM**



Welcome to the

# ACCOUNTING AND HUMAN RESOURCES DEPARTMENT

*Where Everyone Counts*

**WHEN YOU THINK OF HOUSTON COUNTY ELECTRIC COOPERATIVE'S** Accounting/Human Resources Department, you may think of debits, credits and numbers crunched. In reality, this department has many

wheels in motion simultaneously: accounting, billing, material management, payroll and benefit administration. From budgeting and financial reporting to handling personnel issues, this group covers many bases.



Cherry Kellum, accounts payable/payroll clerk  
Hired April 17, 2007



Lynne Erickson, HR manager  
Hired August 8, 1986



Gary White, chief financial officer  
Hired August 11, 2015



Sonja Key, accounting manager  
Hired May 2, 2011

## Cherry Kellum

You may recognize Cherry from the front counter, where she worked as a cashier for many years. Kellum is now responsible for employee payroll and deductions, federal W-2 and 1095 form preparation, accounts payable and fleet fuel purchases. She also maintains the cooperative's credit cards and fleet fuel purchases.

"I have met so many people while working as the cashier at HCEC," she said. "I love that even though I'm not involved directly with our members anymore, they still say hello and catch up when I see them around town!"

## Lynne Erickson

Lynne has the responsibility of managing all employment, compensation and benefit programs for Houston County EC's employees. Furthermore, she is responsible for ensuring compliance with all state, federal and local employment laws.

"I love my co-op! I have spent more than half my life here, and I consider myself truly blessed to have been able to work here for the past 32 years," she said. "A lot has happened through the years, and it has given me the privilege to work for and with some really great people. Interaction with each person and each situation has enriched my life. I believe we have a great membership, and the absolute best employees."

Responsible for



checks written  
per year.



## Gary White

Beyond overseeing the accounting, finance, human resources and member services departments, Gary's job includes preparing the annual budget for board approval, performing long-range forecasting, filing financing reports required by the government, and maintaining records of the cooperative's property.

"We have a great team of talented and enthusiastic employees who want to improve our services to our members," he said. "We are constantly looking for ways to improve our processes and efficiency to keep our costs low to our members. It is an honor to work with this group of people."

## Sonja Key

Sonja is responsible for financial reporting, budget control, financial analysis and tax-reporting requirements, along with supervision of the accounting team. She also helps compile and submit internal and external financial reports.

"Working at HCEC is a great pleasure and privilege!" she said. "Member service is at the heart of everything we do. 'Providing power for your way of life in rural East Texas' is our mission, and I am proud to be part of such a wonderful team!"



# What is a Systems Administrator?

*A day-to-day look inside our information technology department*

**SYSTEMS ADMINISTRATOR SOUNDS LIKE A VERY TECHNICAL JOB—** and it is. Shelby Vance, Houston County Electric Cooperative's one-man IT department, handles all things tech. He maintains information technology systems, servers, applications, computers and other devices, networks and all digital communications. He also provides project support with technical and operational solutions to improve efficiency, productivity, effectiveness and communication.

**Vance's job functions include:**

- ▶ Device support—computers, servers and iPads.
- ▶ Application support—Outage Management System, email and phone systems and Meter Data Management System.
- ▶ Communications—internet, phone services (cables and devices), substations and metering.
- ▶ User support—training and software requests.
- ▶ Planning and development—updates, new installations, data backup/ recovery and business continuity.

Shelby often jokes that if it has a wire or a plug attached, he works on it!



Shelby Vance  
HCEC systems administrator

## DEVICE STATS:



## COMMUNICATION STATS:



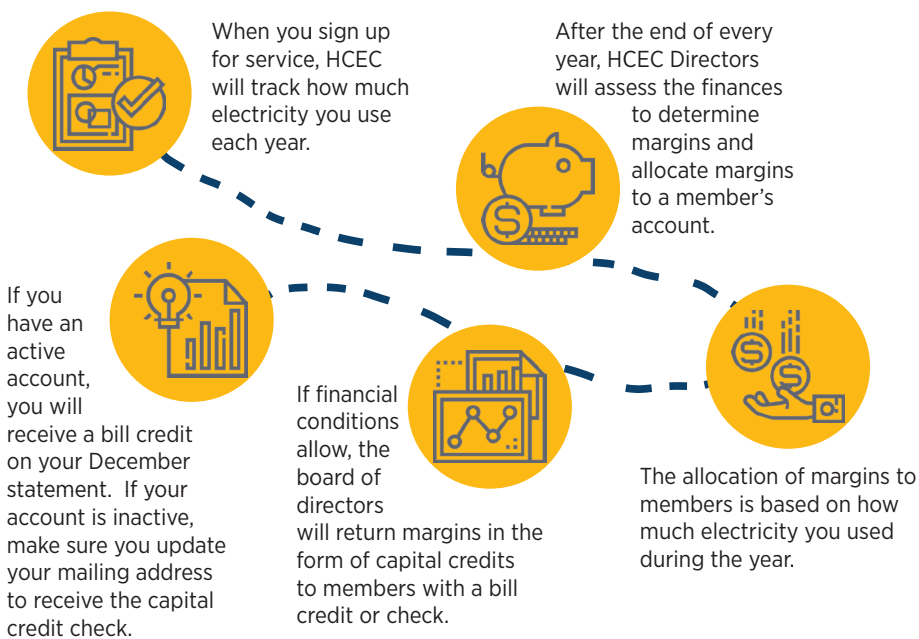
# Capital Credits—Coming to a Mailbox Near You

**WHEN YOU MOVED INTO HOUSTON COUNTY ELECTRIC COOPERATIVE'S SERVICE TERRITORY** and began purchasing electricity from us, you became a member of the cooperative. Because electricity is delivered to your home by HCEC, you are a member and an owner. This means that all of HCEC's assets—even the poles and wires—are co-owned by you, our members.

As a member-owned cooperative, HCEC allocates and eventually returns its margins (revenues in excess of expenses) to its member-owners in the form of capital credits retirements. It's part of the value you receive for sharing in the ownership of a cooperative.

The HCEC board of directors assesses the financial condition of the co-op when returning capital. Any return that you receive is based on the amount of electricity you purchased during the year(s) retired by the HCEC board of directors. Capital credit retirements are issued as a credit on your bill in December. It is important to keep your mailing address updated so that you will receive future capital credit returns even if you no longer receive electricity from HCEC.

## How capital credits work *at-a-glance.*



## Is Your Neighbor Stealing From You?

**EVERY YEAR, HOUSTON COUNTY ELECTRIC Cooperative** copes with thieves—folks who deliberately tamper with their electric meters to steal power. Not only is this practice extremely dangerous, it's a serious crime that can result in hefty fines and jail time.

According to the Cooperative Research Network, power surging through a compromised meter can cause an electrical catastrophe.

A short circuit could produce an arc flash bright enough to cause blindness and powerful enough to launch fragments of red-hot shrapnel. Serious injury or death from electrocution, explosion or fire often results from meter tampering. Only trained co-op personnel wearing protective clothing should work on meters.

### Electricity theft has several victims.

The co-op loses revenue and expends resources to investigate tampering.

Co-op members pay more for the power they use to cover the cost of the stolen electricity.

And, most importantly, co-op personnel, members and the thief can be seriously injured when the meter's safety features are compromised.

Anyone witnessing or aware of someone tampering with an electric meter should contact Houston County EC immediately.