



**HIGH WEST ENERGY**



# Annual Report

**2018**

[highwestenergy.com](http://highwestenergy.com)





# Hello!

Dear Members,

As we reflect on another successful year and look forward to important and exciting changes, we would like to invite you to the 82nd Annual Meeting of High West Energy, Inc., on Thursday, June 20, 2019, at our headquarters in Pine Bluffs, Wyoming (6270 County Road 212).

The annual meeting is a family-friendly event where members meet employees, enjoy good food, entertainment, and conduct the important business of the Cooperative, where you are not only a member, but also an owner. We sincerely thank you and all members for your support and your commitment to playing an active and vital role in your co-op.

Our employees exemplified our hard-working core value throughout 2018 as we continued our four-year plan to invest approximately \$35 million to enhance the High West electric system. In 2018, we spent \$7.8 million on additions and upgrades to our distribution and transmission systems. This enduring commitment ensures the quality of our infrastructure and reliable service for you.

High West also elevated our level of dedication to the communities we serve. As a cooperative, we believe we have a duty every year to volunteer resources of people, time and money to improve the quality of life of our members. In 2017, our employees logged more than 3,800 volunteer hours; in 2018, we increased our volunteer hours to nearly 5,000.

From a financial perspective, we set records for prosperity and stability at High West. That success afforded us the flexibility to plan for the future in a way that will benefit our members. We completed 2018 with actual operating revenues of \$49.9 million and a total margin of \$4.55 million, both of which are record-highs for the cooperative.

In the financial section of this report, you will see our operating revenue listed as \$47.9 million and our margin as \$2.55 million. The reason for these differences is that High West chose to defer \$2 million of those funds so we can use that money to minimize the impact of projected power cost increases on you.

This deferment is part of our long

commitment to responsible financial management on behalf of you, the cooperative's members and owners. Several years ago, we announced a rate increase for 2018 of 5.5 percent as a reaction to rising wholesale electricity prices. Heading into 2018, we carefully examined our economic outlook and saw we were on sound financial footing. Realizing the 2018 increase would no longer be necessary, we canceled it.

As we see it, your hard-earned money should stay in your pockets whenever possible. After all, the High West Energy vision is to be the trusted partner in the solutions we provide to our members and customers. We strive to earn that trust by conducting ourselves with integrity every single day.

On behalf of all the cooperative employees, we thank you and look forward to a successful 2019.

Ed Prosser  
President

Brian Heithoff  
CEO/General Manager

# HIGH WEST ENERGY

## Contact Information

**High West Energy, Inc.**  
6270 County Rd. 212 | PO Box 519  
Pine Bluffs, WY 82082-0519  
(307) 245-3261  
(888) 834-1657

**Cheyenne Service Center**  
3302 I-80 Service Rd.  
Cheyenne, WY 82009

**F. E. Warren Air Force Base**  
1890 Mule Deer Bldg 848 | PO Box 9567  
Cheyenne, WY 82005

**Potter Service Center**  
900 Sherman | PO Box 84  
Potter, NE 69156

[highwestenergy.com](http://highwestenergy.com)  
[highwestwiring.com](http://highwestwiring.com)  
[hwds.com](http://hwds.com)

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## Management Team

**Brian Heithoff**  
CEO/General Manager

**Konnie Keehnen**  
Member Services Manager

**Marv Powell**  
WAFB Operations Manager

**Lindsay Forepaugh**  
Chief Financial Officer

**Dave Golden**  
Engineering Manager

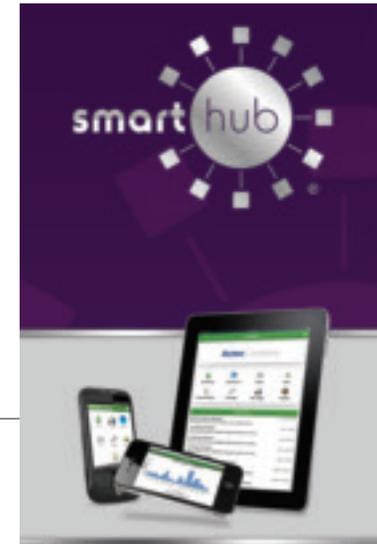
**Jim East**  
Marketing Manager

**Dave Crouse**  
Chief Information Officer

**Ken Haas**  
Operations Manager

**Carol Macy**  
High West Wiring Manager

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# 2018 Annual Meeting Minutes

## High West Energy, Inc. 2018 Annual Meeting Minutes Pine Bluffs, WY, June 21, 2018

The 81st Annual Meeting of the members of High West Energy, Inc., was held at High West Energy's headquarters in Pine Bluffs, WY at 6:30 p.m., Thursday, June 21, 2018. Following registration, dinner, and a vendor show, the meeting was called to order by President Ed Prosser. President Prosser welcomed everyone in attendance and recognized current and retired board members, employees, veterans, special guests, and invited speakers. The invocation was given by Dave Crouse, CIO of High West Energy.

The reading of the 2018 Notice of Annual Meeting was given by Hank Bailey, Attorney at Law and General Counsel for High West Energy, Inc., whose firm has represented the cooperative for 40 years. It was determined that a quorum was present and that the business of the meeting could move forward. It was moved, seconded and unanimously approved to dispense with the reading of the 2017 annual meeting minutes.

### ELECTIONS

Hank Bailey presided over the election. The business of the meeting was to take action upon the following matter:

A. The Nominating Committee submitted the names of Michael Lerwick, District 11, and Ed Prosser from District 13, as nominees for three-year terms.

B. Bylaw review and changes supported by the Board of Directors were presented for a vote.

### PRESIDENT'S REPORT

President Ed Prosser reported that High West Energy is 81 years old and getting better with age and he was proud to announce they are headquartered in Pine Bluffs, WY. He reported on increased energy sales year-over-year for the past several years, balancing assets and resources to provide a good value to the membership, investing in our system, adjusting to the industry and marketplace; all so High West Energy can provide even greater value in the future.

### CEO'S REPORT

CEO/General Manager Brian Heithoff

thanked the dedicated members in attendance. He reported that High West Energy is working hard to deliver safe, reliable, and competitively priced energy and services. He predicted 2018 will be as strong as 2017 as we continue to decrease our operating costs per kWh sold; a direct measure of fiscal responsibility. As a result, we were able to cancel the rate increase forecasted for 2018 and are predicting no increase in 2019. He announced the redesign of the rate structure to reduce subsidization between and among our rate classes. He reported that due to growth, we can invest in rebuilding and maintaining our electric system at increased levels, leading to better reliability. CEO Heithoff applauded High West Energy employees who give back in so many ways. Rural areas are losing population rapidly, but High West Energy encourages their employees to make their communities the best place to live, work, play and raise a family.

### YOUTH TOURS

2018-19 scholarship winner Kenzie Graves introduced the other scholarship winners and thanked the Board of Directors and members on behalf of all the winners. High West

## Vision Statement

The vision of the High West companies is to be the trusted partner in the solutions we provide.

Energy sponsored two students for the 2017 Youth Tour in Washington DC., Alison Mickelson of Carpenter, WY and Mattie Johnson of Potter, NE. Alison thanked High West Energy for the sponsorship and recapped the trip, calling it an amazing experience. She asked the members to tell the children in their lives to apply for Energy Camp and Youth Tour for an unforgettable, once in a lifetime experience.

### **GUEST SPEAKERS**

Mike McInnes, Chief Executive Officer of Tri-State Generation & Transmission Association discussed the privileges and opportunities co-op members enjoy with a not-for-profit rural electric cooperative with easy access to all employees and management to answer all their questions and needs. There are times at annual meetings where he gets to shake the hand of someone who remembers getting electricity for the first time, which changed their lives forever. He never gets tired talking to members.

Shawn Taylor, Executive Director of WREA spoke about what the Wyoming Rural Electric Association does for Wyoming co-ops and members, including the production of the Wyoming Rural Electric Newsletter

(WREN), sponsoring the youth tour, and advocating at the Wyoming Legislature on behalf of electric co-ops.

Kim Christensen, General Manager of NREA reviewed her credentials to the members and explained what the association does for Nebraska co-ops. She congratulated High West Energy on 81 years of good, solid service and declared there is no better place to live than rural America. She reminded the members they own the co-op, they have a vote, and they have a chance to run for a seat on the board of directors. She reminded the members what a miracle electricity is and to thank their co-op for providing safe, reliable, affordable power.

### **ELECTION RESULTS**

The election committee counted all ballots cast for Bylaw changes, and Districts 11 and 13. Hank Bailey announced that all proposed Bylaw changes passed, and Ed Prosser and Michael Lerwick were re-elected for three-year terms.

### **UNFINISHED BUSINESS**

There was no unfinished business.

### **NEW BUSINESS & GENERAL DISCUSSION**

CEO/General Manager fielded

questions and comments from the members on providing internet, asking that a grace period not be considered a delinquency, looking at the Connect America funds and/or working in partnership with telecons to provide rural internet, and challenges related to cybersecurity. Any items not answered will be discussed at an upcoming board meeting.

As there was no other business brought before the membership, President Prosser called for adjournment. There was a motion and a second. All were in favor. Meeting adjourned at 7:27 p.m.

### **MISCELLANEOUS**

Prizes were drawn and announced.

The member's name that was drawn randomly for the progressive jackpot was not in attendance so the amount in 2019 will be \$1,200.

DATED: This 21nd day of June 2018.

Dan Acheson,



Secretary of the Board

## **Mission Statement**

The mission of the High West companies is to serve our members and communities by providing safe, reliable and competitively priced energy and services.

# Official Meeting Notice

## Notice of annual meeting of the members of High West Energy, Inc.

Notice of annual meeting of the members of High West Energy, Inc.

This annual meeting of the members of High West Energy, Inc. will be held at High West Energy headquarters in Pine Bluffs, Wyoming at 6:30 p.m. on Thursday, June 20, 2019 to take action upon the following matters:

The reports of officers, directors, and committees.

Take action on proposed bylaw changes.

All other business which may come before the meeting, or any adjournment or adjournments thereof.

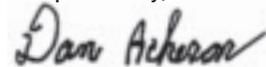
In connection with the election of three directors scheduled for this meeting, the following members have been nominated by the Nominating Committee, which is appointed by the Board of Directors of the corporation, pursuant to the bylaws:

1. District 14: Jerry Burnett
2. District 16: Jamie Fowler
3. District 17: Kevin Thomas

Because there are no additional candidates for the Board of Directors, these three members will be automatically elected to the board in accordance with Article II, Section V and Article III, Section 3.

DATED this 23rd day of April, 2019.

Respectfully,



Dan Acheson, Secretary

## Directions

### From Cheyenne and Colorado:

Head east on I-80, take exit 401 at Pine Bluffs to Parson Street, turn left. Go to Lincoln Hwy (HWY 30) turn left. Turn right onto County Rd 212 and cross railroad tracks. Turn right into the High West Energy property.

### From Sidney:

Head west on I-80, take exit 401 at Pine Bluffs to Parson Street, turn right. Go to Lincoln Hwy (HWY 30) turn left. Turn right onto County Rd 212 and cross railroad tracks. Turn right into the High West Energy property.

### Pine Bluffs, WY





**Thursday, June 20, 2019**



## **High West Energy HQ**

6270 CR 212  
Pine Bluffs, WY 82082



## **Annual Meeting Schedule**

**4:30 p.m. - 6:30 p.m.**  
Registration, Craft Fair & Dinner

**6:30 p.m. - 8:00 p.m.**  
Business Meeting & Prize Drawings



## **Dinner Menu**

French Dip, Potato Salad,  
Chips, Fruit, Cake

Because this is a celebration event,  
please note that a photographer and  
videographer will be present.

[HighWestEnergy.com](http://HighWestEnergy.com)

# **82<sup>nd</sup> Annual Meeting**

## **Annual Meeting Agenda**

**Welcome Remarks and Call to Order**  
Ed Prosser, Board President

**Invocation**

**Reading of the 2019 Notice**  
Henry F. Bailey, Attorney

**Determine Existence of Quorum**

**Minutes of the 2018 Annual Meeting**

**President's Report**  
Ed Prosser

**CEO/General Manager's Report**  
Brian Heithoff

**Election of Directors and Changes to Bylaws**

**Unfinished Business**

**New Business and General Discussion**

**Report of Election Committee**

**Adjournment**



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High West Energy's Board of Directors are, from left: Jamie Fowler, District 16; Dan Acheson, District 15; Michael Lerwick, District 11; Gary Smith, District 12; Ed Prosser, District 13; Jerry Burnett, District 14 and Kevin Thomas, District 17.

## Explanation of Proposed Bylaws Changes

### Article 1, Section 7. Removal of Directors

Article II, Section 2 of the bylaws lists the qualifications required to be a director for the cooperative. If or when a director is no longer able to comply with these requirements, and they refrain from resigning from the Board, only the membership can remove the director from the Board currently. This bylaw change grants the Board the right to remove a director for failure to comply with the requirements upon a two-thirds vote.

### Article III, Section 8. Change in Rates

Due to changes over the years to Rural Development Utilities Service (RUS – formerly known as the Rural Electrification Administration) requirements, we are no longer required to submit rate changes to RUS, making this bylaw change necessary. Note that we will always notice and inform the membership and any state regulatory authorities (i.e. the Wyoming Public Service commission) of any rate increases at least 30 days prior to those increases.

### Article XII. Membership in other Organizations

To the Board, this seems like a section that is no longer appropriate given how the cooperative operates. As an example, it appears the membership should be seeking approval to join membership-based organizations such as the Wyoming Rural Electric Association, Nebraska Rural Electric Association and the National Rural Electric Cooperative Association, as well as local organizations such as the Corn Growers, Stock Growers, Cattleman's, Wheat Growers and local Chambers of Commerce. From a practical standpoint, it is felt these membership decisions can be adequately decided by the Board of Directors.

# Board of Directors



**Ed Prosser**  
**President**  
District 13



**Jerry Burnett**  
**Vice President**  
District 14



**Dan Acheson**  
**Secretary**  
District 15



**Gary Smith**  
**Treasurer**  
District 12



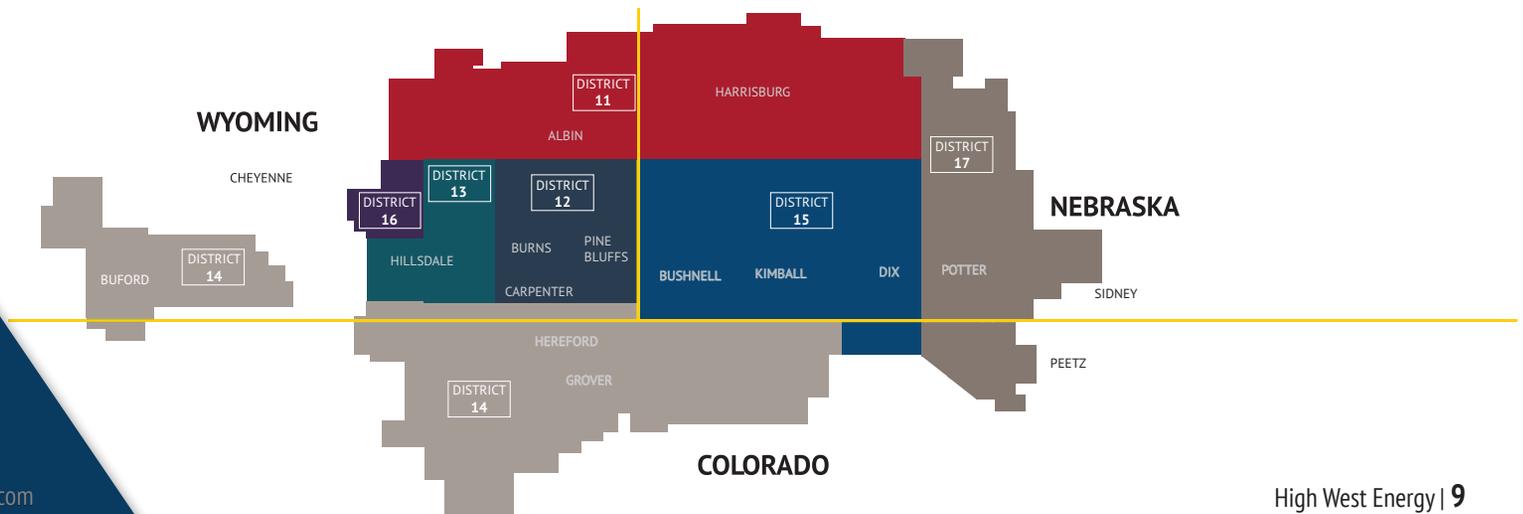
**Michael Lerwick**  
District 11



**Jamie Fowler**  
District 16



**Kevin Thomas**  
District 17



# Revenue and Expenses

		2017	2018
<b>TOTAL OPERATING REVENUES</b>		<b>48,740,910</b>	<b>47,903,381</b>
<b>Operating Expenses:</b>	Purchased Power	31,546,162	32,037,702
	Operation & Maintenance Expense	4,347,372	4,707,398
	Customer & Collection Expense	946,622	939,145
	General & Administrative Expense	3,193,262	3,476,176
	Taxes	456,474	469,650
	Depreciation & Amortization Expense	4,755,038	3,241,209
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$45,244,930</b>	<b>\$44,871,280</b>
<b>Margins from Operations:</b>	Net Electric Operating Revenue	3,495,980	3,032,101
	Less: Interest on Long Term Debt	2,058,107	2,201,804
	Interest Expense Short Term	68,941	12,503
	Other Expenses	11,948	12,870
	<b>TOTAL MARGINS FROM OPERATIONS</b>	<b>\$1,356,984</b>	<b>\$804,924</b>
<b>Other Margins:</b>	Non-operating Margins Interest	23,190	62,029
	Other Investments, Margins & Capital Credit	277,127	527,596
	Tri-State Generation & Transmission	1,606,758	1,158,620
	<b>TOTAL OTHER MARGINS</b>	<b>\$1,907,075</b>	<b>\$1,748,245</b>
<b>TOTAL MARGINS</b>		<b>\$3,264,059</b>	<b>\$2,553,169</b>

High West Energy  
Proudly Serving  
You for 82 Years

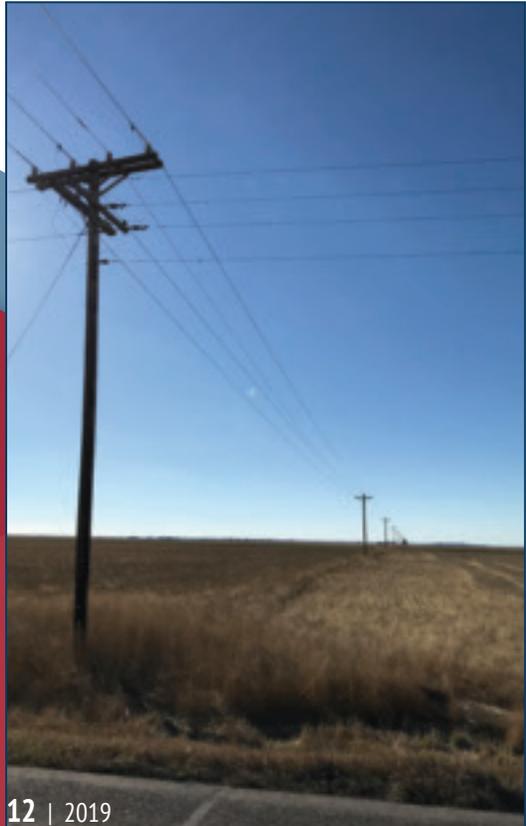
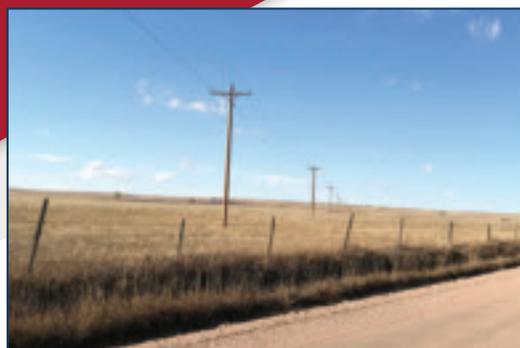
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Annual Report

# Balance Sheet

<b>ASSETS</b>		<b>2017</b>	<b>2018</b>
Utility Plant:	Total Utility Plant	\$108,758,413	\$113,832,057
	Depreciation	-37,253,595	-38,705,647
	<b>TOTAL DEPRECIATED VALUE</b>	<b>\$71,504,818</b>	<b>\$75,126,410</b>
Current Assets:	Cash	3,298,750	3,052,186
	Receivables	7,665,336	5,405,962
	Materials	3,440,991	3,199,523
	Prepayments	302,386	295,637
	Other		
	<b>TOTAL CURRENT ASSETS</b>	<b>\$14,707,463</b>	<b>\$11,953,308</b>
Other Assets:	Deferred Debits	104,595	139,506
	Investments	25,136,147	25,762,703
	Deferred Revenue	0	2,000,000
	<b>TOTAL OTHER ASSETS</b>	<b>\$25,240,742</b>	<b>\$27,902,209</b>
	<b>TOTAL ASSETS</b>	<b>\$111,453,023</b>	<b>\$114,981,927</b>

<b>LIABILITIES AND CAPITAL</b>		<b>2017</b>	<b>2018</b>
Equity:	Patronage Capital	33,347,010	\$34,386,528
	Memberships	0	0
	Other Equities	2,797,286	2,874,761
	<b>TOTAL DEPRECIATED VALUE</b>	<b>\$36,144,296</b>	<b>\$37,261,289</b>
	<b>LONG-TERM DEBT</b>	<b>\$61,877,935</b>	<b>\$63,885,676</b>
Current Liabilities:	Accounts Payable	3,684,394	3,619,059
	Notes Payable	1,614,792	0
	Other Liabilities	3,012,554	3,344,879
	Customer Deposits	102,052	115,455
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$8,413,792</b>	<b>\$7,079,393</b>
Other Liabilities:	Regulatory Liabilities	0	2,000,000
	Deferred Credits	5,017,000	4,755,569
	<b>TOTAL OTHER LIABILITIES</b>	<b>\$5,017,000</b>	<b>\$6,755,569</b>
	<b>TOTAL LIABILITIES AND CREDITS</b>	<b>\$111,453,023</b>	<b>\$114,981,927</b>



## Meet the Team



**Colt Alexander**  
Lineman



**Nate Begger**  
Crew Foreman



**Sally Brelsford**  
Member Services  
Representative



**Troy Burke**  
Electrician



**Mike Candiracci**  
IT Network Administrator



**Dalton Clark**  
Lineman



**Tim Cline**  
Warehouse



**David Crouse**  
Chief Information Officer



**Jim Darden**  
Accountant



**Leanne DeBruyn**  
Payroll/ Benefits  
Administrator



**Lynn DeFair**  
Scheduler/Coordinator



**Jim East**  
Marketing Manager



**Valerie Eastman**  
Inventory Supervisor



**Doug Elgin**  
Engineering Aide



**Bryan Ferguson**  
Lineman



**Lindsay Forepaugh**  
Chief Financial Officer

# Meet the Team



**Jeremy Fryda**  
Crew Foreman



**Tyler Gabel**  
Lineman



**Blayne Gilbert**  
Electrician



**Dave Golden**  
Engineering Manager



**Kimberly Gotfrey**  
Member Services  
Representative



**Ken Haas**  
Operations Manager



**Brian Heithoff**  
CEO/General Manager



**Jacob Hemstrom**  
Lineman



**Tanner Hinton**  
Lineman



**Trevan Hinton**  
Lineman



**Tucker Hohn**  
Lineman



**Chris Jackson**  
Information Systems Specialist



**Konnie Keehnen**  
Member Services Manager



**Miles Killham**  
Lineman



**Jessica Klaurens**  
Operations Assistant



**Patrick Knoepfle**  
Lineman



**Kebly Konig**  
Information Support Specialist

## Meet the Team



**Lucas Lang**  
Engineering Aide



**Tim Lang**  
Staff Engineer



**Cortney Lewis**  
Building & Facilities  
Coordinator



**Les Lewis**  
Crew Foreman Wiring



**William Longly**  
Lineman



**Tim Lynch**  
Electrician



**Carol Macy**  
Wiring Manager



**Bert Macy**  
Substation & SCADA  
Technician



**Rachel Manley**  
Work Order Accountant



**Joy Manning**  
Energy Management  
Advisor



**John Marsh**  
Crew Foreman Wiring



**Joni McCluskey**  
Controller



**Dean McCluskey**  
Crew Foreman



**Susan McGaugh**  
Executive Assistant



**Gus Miller**  
Lineman



**Josh Murkin**  
Electrician

## Meet the Team



**John Ott**  
Dispatch Coordinator



**Jordan Powell**  
Lineman



**Marvin Powell**  
Operations Manager, FEW AFB



**Jesse Robbins**  
Lineman



**Mike Rotert**  
Lineman



**Chad Schaefer**  
Engineering Staff



**Craig Schuessler**  
Crew Foreman



**Lloyd Sisson**  
Engineering Manager



**Joe Shogrin**  
Lineman



**Bobby Sonnie**  
Lineman



**Terry Steege**  
Senior Technology  
Engineer



**Kerry Steele**  
Cashier/ Receptionist



**Bret Steger**  
Information Systems  
Technician/Developer



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# Meet the Team



**Dustin Thompson**  
Lineman



**Sam Trujillo**  
Electrician



**Jeremy Tucker**  
Lineman



**Rachel VanDeMark**  
Mapping Specialist



**Kristi Vasko**  
Member Services  
Representative



**Derek Walls**  
Locator/Collector



**Bryan Warden**  
Lineman



**Mark Warden**  
Lineman



**Brandon Wheeler**  
Lineman



**Bart Wilshusen**  
Crew Foreman



**Don Wood**  
Warehouse



**Karl Zerck**  
Lineman



**Chris Zitek**  
Meter/AMI Technician



**Garrett Zwiebel**  
Lineman

# 2018 Annual Meeting



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**HIGH WEST**

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## 2019 – 2020 Scholarship Winners



**Cassidy Weibel**  
**\$1,000**  
Cheyenne, Wyoming



**Clay Kinnison**  
**\$1,000**  
Grover, Colorado



**Emily Keiter**  
**\$1,000**  
Hillsdale, Wyoming



**Jack Ickes**  
**\$500**  
Burns, Wyoming



**Jade Cass**  
**\$500**  
Hereford, Colorado



**Jessica Gingerich**  
**\$500**  
Dix, Nebraska



**Katherine Reader**  
**\$1,000**  
Kimbel, Nebraska



**Kenzie Spear**  
**\$1,000**  
Cheyenne, Wyoming



**MacKenzie Faircloth**  
**\$500**  
Cheyenne, Wyoming



**Madison Heithoff**  
**\$1,000**  
Pine Bluffs, Wyoming



**Sarah Davis**  
**\$1,000**  
Peeetz, Colorado



**Sheridan Magninie**  
**\$500**  
Dix, Nebraska



**Tucker Norman**  
**\$500**  
Pine Bluffs, Wyoming



**Kenzie Graves**  
**\$1,000**  
Pine Bluffs, Wyoming

On behalf of High West Energy, Tri-State Generation & Transmission, and Basin Electric Power Cooperative, we are pleased to announce the winners of our scholarships for the 2019-2020 school year.

Each applicant filled out an application that highlighted their strengths, activities and honors. They also wrote an essay that addressed why it is important for members of a community to help each other.

Recipients were chosen by a panel of judges from across the service territory, who have a background in education. Congratulations to all the recipients on your academic achievements!

# HIGH WEST ENERGY



**We'll see you at the  
Annual Meeting!**

**Thursday, June 20, 2019**

4:30-6:30

Dinner & Craft Fair

6:30-8:00

Business Meeting & Prizes