



## MESSAGE FROM THE GENERAL MANAGER

### HREA Year in Review

The past year at Harrison REA has been a clean-up year. We were able to make significant advancements by tackling smaller accumulated projects. These efforts do not carry the glitz of new technology, but they are important to ensuring the overall health of our cooperative.

Our vegetation management program took a huge step forward last year as we completed nearly twice as many miles as any year on record. Recognizing that our previous efforts were inadequate, we added a second contractor in 2014 and increased our annual mileage. We have also added a full-time right-of-way manager who must inspect and approve every aspect of our program. Improved vegetation management will allow us to more easily distinguish system issues from vegetation issues.

Additionally, our enhanced engineering software has allowed us to pinpoint and address infrastructure issues. We now have a comprehensive list of system upgrades that has been included in our work plans

for the coming years, and we will tackle as many projects as possible without having to borrow additional money.

We believe that by May 2023, we should have everything in order without having to increase rates, provided our projections pan out and government oversight remains consistent.

Finally, we would be remiss if we did not recognize the changes that have occurred in our cooperative's governance. Two of our directors have been unable to fully participate this past year while recovering from serious medical issues. One was able to return late in the year and the other resigned to focus on his recovery. During this time, our remaining directors increased their participation to ensure the entire membership's needs were met. We continue to wish both gentlemen the best in fighting their battles.



**Terry Stout**  
CEO/General Manager



**We will be closed**  
**Monday, May 29** for  
**Memorial Day.**

*Thank you to all who served.*

*To report an emergency, please  
call **1-800-540-4732.***



## TECHNOLOGY

BY LLOYD MASON

# YOU'VE GOT UPDATES

**P**assword this, password that. If you own a tablet, phone, or laptop, this has probably been on your mind lately.

The latest release from WikiLeaks revealed tools used by the CIA for spying on some of the scariest people in the world. But what if your stockpile of tools goes missing? At this point, those tools are floating around on the internet for anyone with technical skills to use.

Cyber criminals now have the technology to look through any camera or listen to any microphone on

internet-connected devices, including smart TVs, smartphones, cars, tablets, and many others. Without sounding like a tinfoil hat-wearer, this is important because we risk losing a reasonable expectation of privacy forever.

Weaknesses in software code – often referred to as inroads or backdoors – can usually be repaired by patching the software with

corrected code, which will keep unauthorized users out. Everything runs on software, so once this code is compromised, the only way to keep up with the bad guys is to keep up with the maintenance of the device. Always allow your updates to completely install; it is one of the best ways to ensure secure communications on your devices.

Upon the release of the latest WikiLeaks bombshell, manufacturers of equipment from all over the globe are now trying to find and block the exposed weaknesses. The code that will be written to fix these issues is called firmware. Firmware is programmed into a read-only memory location on the device, and it contains instructions for the hardware hidden in a location that is not available to the average user. These updates are very important, and in some cases are the only thing that stand between you and the cyber criminal.

This problem is huge and affects all of us.

Ask your mobile phone provider for a firmware update as soon as possible. Phones are particularly susceptible because we the last to know when an update is needed. The manufacturer may release updates, but your phone provider may be slower to push them to your device. Again, ask your provider for an update, and if there is not one currently available, ask when it will be available. The provider will understand how serious it is and they will help you – because it truly does affect everyone. No matter what your level of computing, just using a modern device makes you susceptible.

Finally, please change your passwords. Find and change every one of them. I use a password protector program, which is a great solution. When you enter your passwords, the protector program will remind you of the passwords you use frequently, and also provide you with your four-digit codes and other passwords you might forgotten about. Regular rotation of passwords will stop most bad actors – and firmware updates will stop the rest. Take the time to lock the door to cyber criminals and snoopers.

*Till next time @TechCorner.*



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### Energy Efficiency Tip of the Month



Keep warm summer air outside where it belongs! Add caulk and weatherstripping to seal air leaks around leaky doors and windows.

*Source: energy.gov*



## MESSAGE FROM THE PRESIDENT

# CHALLENGES MET AND OVERCOME

*President, HREA board of directors*

It has been my pleasure to serve as the president of the Harrison REA board of directors for the past year.

**HREA has continued to address the long-term internal and external challenges facing our cooperative.**

Our board has worked through challenges we have never faced in the cooperative's history. By strictly adhering to our bylaws and working together, we were able to meet these challenges.

District 4 Director James Stuart was involved in an accident and was forced to miss several meetings during his recovery. He feels that he can still serve the cooperative, so he ran unopposed for re-election.

District 7 Director Michael Cross was also involved in an accident and opted to resign when his recovery required him to move out of state. Philip McMillan was elected to replace Mr. Stuart as secretary/

treasurer, ensuring that the board had proper leadership in all required areas, and Jeff Nelson was appointed to fill the vacancy left by Mr. Cross' resignation.

HREA has continued to address the long-term internal and external challenges facing our cooperative. Engineering modernizations have allowed us to identify and evaluate areas requiring greater focus, and we were able to develop a plan for replacements that can be achieved without needing to borrow additional funds. This allows us to improve our service and while reducing long-term debt – two of the key goals in bringing the cooperative back to where it should be.

I would like to thank you for the opportunity to serve on your board of directors. I firmly believe that we have made a difference.



## SECRETARY/TREASURER'S REPORT

BY PHILLIP MCMILLAN

**F**inancial results for fiscal year 2016 demonstrate Harrison REA's ongoing plan to solidify its financial and operating base. The cooperative continues to evaluate and address infrastructure maintenance programs. These programs include vegetation management, conductor replacements, and additional protective devices.

For the year your cooperative had the following financial results:

Total revenue decreased approximately \$571,000 to \$14,019,000. This decrease was a direct result of the Sycamore 2 mine closure and milder weather.

Power cost for the year decreased by approximately \$1,439,000 to \$6,084,000. This decrease was largely due to the power supply agreement with AEP Energy Partners, Inc., and the corresponding decrease in energy demand.

Total expenses, not including power cost, increased by approximately \$401,000 to \$6,880,000. Contributing factors included a \$262,000 increase in vegetation management and a \$125,000 increase in infrastructure maintenance projects.

All of our financial ratios met or exceeded requirements of existing loan covenants.

Copies of the audited financial reports, operating statement, and balance sheet are available from the cooperative. Our auditing firm is Balestra, Harr & Scherer, CPAs, Inc. If you would like to review the complete audit, you may visit the Harrison REA office. Our staff will be happy to assist you with any questions.



## ENERGY EFFICIENCY

# POP QUIZ

LED bulbs use only about 20 percent of the energy that traditional incandescent bulbs use, but how much longer do they last?

- A** 10 times longer than incandescent bulbs
- B** 15 times longer than incandescent bulbs
- C** 25 times longer than incandescent bulbs

Answer: C

### HARRISON RURAL ELECTRIFICATION ASSOCIATION, INC.

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**REPORT AN OUTAGE**  
1-800-540-4732

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**OFFICE HOURS**  
Mon. - Fri. 7:30 a.m. - 4 p.m.

### BOARD OF DIRECTORS

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Glenn Cox, Dist. 3  
Vice President

Philip McMillan, Dist. 6  
Sec.-Treas.

Greg Robertson, Dist. 2  
Ron Watson, Dist. 5  
James Stuart, Dist. 4  
Jeff Nelson, Dist. 7  
Directors

Terry Stout  
General Manager

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Lloyd Mason  
IT Manager

Sam Satterfield  
Operations Manager

Scott Wyckoff  
Line Supervisor

Jon Paul McAllister  
Staking Technician

Jodi Swiger  
Editor

Harrison Rural Electrification  
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