

TEXAS CO-OP POWER



COLEMAN COUNTY ELECTRIC COOPERATIVE, INC.

77TH ANNUAL MEMBERSHIP MEETING

Friday, July 17, 2015 • 5:30 P.M.

Coleman High School • Coleman, Texas

THE 2014 ANNUAL REPORT IS ON PAGES 17-24 OF THIS ISSUE.

**YOUR MEMBER REGISTRATION CARD FOR THE MEETING IS ON THE BACK OF THIS COVER.
PLEASE TEAR OUT THE CARD AND BRING IT WITH YOU TO THE ANNUAL MEETING.**

BALLOT IS INSIDE THIS COVER!

Please fill out the ballot on the inside page and put it in the enclosed security envelope. Either put it in the mail or bring it with you to the annual meeting.

Be sure to sign the outside of the envelope for your ballot to count.
The ballot must be in the security envelope.

BOARD OF DIRECTORS

Bob Fuchs, *President* • **Roger Kruse**, *Vice President* • **Helen Bragg**, *Secretary-Treasurer*

Roger Bryan

Sandy Neal

Glen Scarborough

Anthony Strawn

Daniel Redman

David Wright

OFFICIAL NOTICE

To the Member Addressed:

You are hereby given notice that the 2015 Annual Meeting of the Members of Coleman County Electric Cooperative, Inc., will be held at the Coleman High School in Coleman, Texas, July 17, 2015, at 7 p.m., to take action upon the following matters:

You will hear reports from officers, plus election of two directors for a term of three years, along with other business.

We urge you to be present for this meeting Friday, July 17, 2015, at 7 p.m., at the Coleman High School in Coleman, Texas.

Registration starts at 5:30 p.m. Each person in attendance will receive a free cup of homemade ice cream, cookies and punch, compliments of the cooperative. The business meeting begins at 7 p.m.

Helen Bragg

Helen Bragg

Secretary-Treasurer

**TEAR OFF THE BALLOT BELOW. FOLLOW THE VOTING INSTRUCTIONS INSIDE THE BACK COVER
TO FILL OUT AND SUBMIT YOUR OFFICIAL BALLOT.**

Use the ballot to vote for the director nominee of your choice in each district.

COLEMAN COUNTY ELECTRIC COOPERATIVE, INC.

OFFICIAL BALLOT

FOR ELECTION OF DIRECTORS

**Mail-in ballots must be in our office by
11 a.m., July 17, 2015.**

Election of Directors: Vote for one person from each district by placing an "X" in the square beside the candidate's name.

See profiles of each nominee on Page 21.

DISTRICT 3:

Vote for One Nominee

Mike Calk

*David Wright, DVM

DISTRICT 7 AND PART OF DISTRICT 6:

Vote for One Nominee

Ronny Alexander

*Bob Fuchs

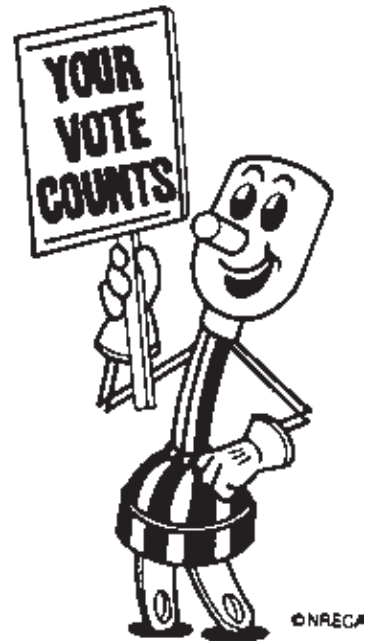
**Incumbent*

*Do not include ballots with your electric bill payments.
Those ballots will not be counted.*

VOTING INSTRUCTIONS

Voting by Mail: In addition to the method of voting for directors of the cooperative as provided by the existing bylaws and by a member being present and voting in person, each member shall be and is hereby permitted to vote by mail for directors of this association. At the time when notices of members' meetings are given, as provided by Article II of these bylaws, and with a notice of members' annual meeting or any postponement thereof, there shall be sent to each member either personally or by mail a ballot which shall contain the names of all members who have been nominated as candidates for directors with a statement of the number to be elected and with appropriate instructions to the member to vote for such members.

EACH MEMBER SHALL BE INSTRUCTED AFTER VOTING FOR THE DIRECTOR CANDIDATES TO PLACE THE BALLOT IN THE ENCLOSED BUSINESS-REPLY, POSTAGE-PAID ENVELOPE AND SIGN YOUR NAME IN THE PLACE INDICATED ON THE FACE OF THE RETURN ENVELOPE. THE MEMBER'S SIGNATURE IS ESSENTIAL. IT IS PART OF THE VALIDATION PROCESS OF THE BALLOT. IF THE ENVELOPE IS NOT SIGNED ON THE OUTSIDE, IT WILL NOT BE COUNTED. MAIL BALLOTS TO THE COOPERATIVE OFFICE PRIOR TO THE DATE OF SAID MEETING. Said ballots, when so received, shall be retained and placed in a locked ballot box until the date of the members' meeting, at which time they shall be delivered to the Inspectors of Election and counted together with the votes cast in person at such members' meeting.



BALLOT INSTRUCTIONS

Please tear off ballot and return the ballot in the enclosed business-reply, postage-paid envelope. Sign your name in the place indicated on the face of the return envelope. The member's signature is essential. It is part of the validation process of the ballot. If the envelope is not signed on the outside, it will not be counted. You can mail your ballot to the cooperative office prior to the meeting, or bring it to the annual meeting with you.

If you mail your ballot, it must be in our office by 11 a.m., July 17, 2015. From the candidates listed on the ballot, two (2) shall be elected to serve as directors of Coleman County Electric Cooperative for a three- (3-) year term, or until their successors shall have been elected. Said term to begin on the 20th day of July 2015. One (1) director is to be elected from each of the two districts. YOU ARE ENCOURAGED TO VOTE FOR A DIRECTOR FROM EACH DISTRICT. Each voter shall vote for the person of their choice by placing an "X" in the square opposite the name of the candidate of their choice.

MEMBER REGISTRATION CARD

77TH ANNUAL MEMBERSHIP MEETING

Friday, July 17, 2015

Coleman High School, Coleman, Texas

**THIS IS YOUR MEMBER REGISTRATION CARD.
PLEASE TEAR OUT THIS CARD AND BRING IT WITH YOU TO THE ANNUAL MEETING.**

EXCERPTS FROM THE BYLAWS OF COLEMAN COUNTY EC

ARTICLE II: Meetings of Members

SECTION 1. ANNUAL MEETING. The annual meeting of members shall be held at such time, during the month of July as the Board of Directors may direct and such meeting shall be held at such place in the Cooperative service area, as shall be designated in the notice of the meeting for the purpose of electing directors, passing upon reports covering the previous fiscal year and transacting such other business as may come before the meeting. If the election of directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the cooperative.

SECTION 2. SPECIAL MEETINGS. Special meetings of the members may be called by the President, by the Board of Directors, or by a majority thereof or upon a written request signed by at least ten per centum (10 percent) of all members and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the County of Coleman in the State of Texas specified in the notice of the special meeting, or elsewhere within the area served by the cooperative as may be designated by the Board of Directors.

SECTION 3. NOTICE OF MEMBERS' MEETING. 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 delivered not less than ten (10) days nor more than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his 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 of any such meeting.

SECTION 4. QUORUM. As long as the total number of members does not exceed one thousand (1,000) at least fifteen per centum (15 percent) of the total number present in person shall constitute a quorum for the transaction of business at all meetings of the members. In case the total number of members shall exceed one thousand (1,000) then at least one hundred fifty (150) of the members present shall constitute a quorum for the transaction of business at all meetings of the members. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice.

SECTION 5. VOTING. Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members. At

all meetings of the members at which a quorum is present all questions shall be decided by a vote of a majority of the members voting thereon in person or by mail, except as otherwise provided by law, the articles of incorporation of the cooperative, or these bylaws. If a husband and wife hold a joint membership they shall jointly be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members.

SECTION 6. VOTING BY MAIL. In addition to the method of voting for directors of the Cooperative as provided by the existing bylaws and by a member being present and voting in person or each member shall be and is hereby permitted to vote by mail for directors of this association. At the time notices of members' meetings are given as provided by Article II of these bylaws, and with a notice of members' annual meeting, or any postponement thereof, there shall be sent to each member either personally or by mail a ballot which shall contain the names of all members who have been nominated as candidates for directors with a statement of the number to be elected and with appropriate instructions to the member to vote for such members; EACH MEMBER SHALL BE INSTRUCTED AFTER VOTING FOR THE DIRECTOR CANDIDATES TO PUT THEIR BALLOT IN THE ENCLOSED BUSINESS-REPLY, POSTAGE-PAID ENVELOPE AND SIGN THEIR NAME IN THE PLACE INDICATED ON THE FACE OF THE RETURN ENVELOPE. THE MEMBER'S SIGNATURE IS ESSENTIAL. IT IS PART OF THE VALIDATION PROCESS OF THE BALLOT. IF THE ENVELOPE IS NOT SIGNED ON THE OUTSIDE, IT WILL NOT BE COUNTED. MAIL TO THE COOPERATIVE OFFICE PRIOR TO THE DATE OF SAID MEETING. Said ballots, when so received, shall be retained and placed in a locked ballot box until the date of the members' meeting at which time shall be delivered to the inspectors of Election and counted together with the votes cast in person at such members' meeting. The directors who receive a plurality of the vote shall be elected. Drawing by lot shall resolve, when necessary, any tie votes.

SECTION 7. ORDER OF BUSINESS. The order of business at the annual meeting of the members, and so far as possible at all other meetings of the members, shall be essentially as follows:

1. Report the existence of a quorum.
2. Reading of the notice of the meeting and proof of the due publication of mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of, and acting upon, reports of officers, directors and committees.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournments.

WELCOME

WE WELCOME YOU to attend the 77th annual meeting of your electric cooperative.

It is our desire to bring you up to date on the operations of your cooperative, review the accomplishments of the past year and look at the challenges your cooperative will face in the future.

Above all, we encourage you to attend the annual meeting to be a part of directing the future of your cooperative. The membership, through the democratic process, elects directors to direct the affairs of your cooperative.

Coleman County Electric Cooperative is a business that belongs to the members. The definite, positive benefits of cooperative electric service, in turn, require a concerned, informed and dedicated membership.

PROGRAM

5:30-7 p.m. REGISTRATION

Each member registering will receive a gift in addition to being eligible for other prizes. The prize drawing card on the back cover must be presented at the meeting.

6-6:50 p.m. ENTERTAINMENT

by George Allison

7-8 p.m. BUSINESS MEETING

- Invocation
- Pledge of Allegiance
- National Anthem
- President's Report
- Secretary's Report
- Manager's Report
- Election of Directors
- Guest Speaker
- Other Business

8-8:30 p.m. DRAWING FOR PRIZES

Members must be present to win.

**ALL MEMBERS ARE URGED TO BE PRESENT.
VISITORS ARE WELCOME.**

Facilities are wheelchair-accessible.

MANAGEMENT REPORT

IT'S THAT TIME OF YEAR AGAIN—annual meeting time! On behalf of Coleman County Electric Cooperative, I'd like to personally invite you to join us Friday, July 17, at the Coleman High School auditorium. We look forward to gathering with you, members of the co-op community, to catch up; hearing what you have to say; and enjoying some good homemade ice cream; and, of course, great fellowship and prizes.

This event is not only a chance to visit with members of our co-op community, but it's also a great opportunity to learn about your electric cooperative and get to know your co-op staff. It allows us to inform you of the changes that have occurred at your cooperative since last year's annual meeting, as well as our strategic vision for the future. Our annual meeting also makes it possible for us to gather feedback from you by providing a forum where you can visit with us one-on-one and let us know how we can better serve you and your family.

This is an occasion to discuss and learn more about the issues affecting your electric cooperative and our local communities. It's also an opportunity for you to exercise one of the greatest benefits of being a member of an electric co-op—voting for the upcoming year's board of directors.

Coleman County Electric Cooperative is not owned by far-away investors, and it is not run by an appointed board of directors. We are run by a democratically elected board of directors, a board whose members are given the privilege to serve because of your vote.

Our directors are members of your community. They are concerned with the issues you face every day because they face them, too.

A democratic and open election is one of the many elements that makes our electric cooperative stand out from other utilities. Having a voice in who makes the major decisions that directly affect your life and your family is a right we all share as Americans. We all vote for our state and federal Congressional representatives, but not every American has the right to vote for those who will represent community interests within their electric utility. You have that right, so why not exercise it?

We remain dedicated to providing you with safe, reliable and affordable electric service, and we encourage you to take part in helping us improve how we deliver that service. So make it a point to join us Friday, July 17, at our annual meeting. We promise we will make it worth your while!



Clint Gardner
GENERAL MANAGER

BOARD OF DIRECTORS



ROGER BRYAN
1984–2017
**DISTRICT 1 AND
PART OF DISTRICT 6**



ROGER KRUSE
Vice President
2008–2016
DISTRICT 2



DAVID WRIGHT
2010–2015
DISTRICT 3



ANTHONY STRAWN
1993–2017
DISTRICT 5



DANIEL REDMAN
15 Years
**RETIRING BOARD
MEMBER**



JOE F. "SANDY" NEAL
2004–2016
DISTRICT 4



BOB FUCHS
President
2000–2015
**DISTRICT 7 AND
PART OF DISTRICT 6**



HELEN BRAGG
Secretary-Treasurer
1990–2017
DISTRICT 8



GLEN SCARBOROUGH
1998–2016
DISTRICT 9

NOMINATING COMMITTEE REPORT

The State of Texas • The County of Coleman

WE, THE NOMINATING COMMITTEE, appointed on the 28th day of April 2015 by the Board of Directors of the Coleman County Electric Cooperative, Inc., met at the home office of the said Cooperative at 3300 N. Highway 84, in the City of Coleman, Coleman County, Texas, on this 14th day of May 2015 at 9 a.m., pursuant to notice duly given with the following members present, to wit:

Bill Bredemeyer
Tommy Mac Connelly
Glenda Gassiot
Harriet Fischer
Ruth Hyde

Jerald Wilson
Roy Young
Dwaine Lange
Jerry Ellis

We, the Nominating Committee, hereby nominate the following four (4) persons—two (2) to be elected at the Annual Meeting of the Members to be held on the 17th day of July 2015—to run for the office of director of said Coleman County Electric Cooperative, Inc., for a term of three years from the date of their election or until their successors shall have been duly elected and qualified, to wit:

DISTRICT 3

Mike Calk Coleman, TX 76834 ***David Wright, DVM** Novice, TX 79538

DISTRICT 7 AND PART OF DISTRICT 6

Ronny Alexander Paint Rock, TX 76866 ***Bob Fuchs** Rowena, TX 79567

**Denotes incumbent*

Witness our hands at Coleman, Texas, this the 14th day of May 2015.

Bill Bredemeyer
Harriet Fischer
Jerald Wilson

Jerry Ellis
Roy Young

DIRECTOR NOMINEES

DISTRICT 3

DAVID WRIGHT was appointed to the Coleman County Electric Cooperative Board of Directors in April 2010. He is a 1973 graduate of Texas A&M University with a degree in veterinary medicine. Wright and his wife, Cathy, are members of St. Mark's Episcopal Church in Coleman. They have one son,

who is serving in the United States Coast Guard in Alameda, California. Wright also serves on the board for Holiday Hill Nursing and Memory Care Center in Coleman. He is the program director and a professor for the Veterinary Technology Program at San Juan College in Farmington, New Mexico. He and his wife moved back to the Novice area in 2009 from Abilene, where he also ranches. He has completed the required courses and training through the National Rural Electric Cooperative Association to receive his Credentialed Cooperative Director and Board Leadership certificates.

MIKE CALK was born and raised in Coleman County. He is the son of Mildred Calk and the late Oliver Calk, and he and his wife, Anita, live on the family farm in Silver Valley. Calk has been a director of the Coleman Farm Bureau for 32 years. He has been an active member of the Novice (currently called Rough Creek) Volunteer Fire Department for 25 years. He is also a lifetime member of Concho Baptist Church, serving 25 of those years as a deacon.

DISTRICT 7 AND PART OF DISTRICT 6

BOB FUCHS has been on the Coleman County Electric Cooperative Board of Directors since his election in 2000. He has lived all his life in the Rowena area, where he farms and ranches. He and his wife, Mary (Puggy), have two daughters. Fuchs graduated from Texas State Technical Institute in 1974. Fuchs and his wife have been doing prison ministry for years. He has served on the St. Boniface Church Council, Runnels County Farm Bureau Board, Runnels County Education Board, Rowena Softball Association and Ballinger Young Farmers. Fuchs has completed the required courses and training through the National Rural Electric Cooperative Association to receive his Credentialed Cooperative Director and Board Leadership certificates.

RONNY ALEXANDER and his wife, Robin, come from rural backgrounds. They are members of Paint Rock Church of Christ and have two grown children. Alexander has served on numerous boards, including child welfare, tax appraisal and school boards, in Concho County. He graduated from Angelo State University in 1974 with a Bachelor of Science. Alexander has missed few Coleman EC annual meetings over the years. Even as a youngster growing up, he remembers his family traveling to Coleman to the rodeo grounds for the meeting.

COOPERATIVE STATISTICS

	2014	2013
KWh Purchased	134,034,648	140,721,841
Power Bill	\$8,837,376	\$8,278,206
KWh Sold	122,562,886	127,901,609
KWh Billing	\$13,441,940	\$12,769,712
Average Monthly Energy Revenue per Meter	\$129.13	\$122.98
Miles of Line Energized	3,773	3,773
Meters Connected as of December 31	8,715	8,653
Average Month kWh Usage (Residential Only)	663	660
New Services Connected	149	166
Hours Worked	68,546	68,289
Employees	32	31
Miles Driven in Cooperative Vehicles	325,611	310,475
Outages/Yearly Average Hours per Customer	1.74	2.05

AUDITOR’S REPORT

Bolinger, Segars, Gilbert & Moss, LLP • Established in 1954
 8215 Nashville Ave. | Lubbock, TX 79423 • Phone: (806) 747-3806

WE HAVE AUDITED, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Coleman County Electric Cooperative, Inc., as of September 30, 2014, and have issued our report thereon, dated November 20, 2014.

In connection with our audit, nothing came to our attention that caused us to believe that the cooperative failed to comply with the terms of Article V of the National Rural Utilities Cooperative Finance Corporation Loan Agreement insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended solely for the information and use of the boards of directors and management of Coleman County Electric Cooperative, Inc., and the National Rural Utilities Cooperative Finance Corporation, and is not intended to be used by anyone other than these specified parties.

Bolinger, Segars, Gilbert & Moss, LLP
 Certified Public Accountants
 Lubbock, Texas | November 20, 2014

FINANCIAL STATEMENTS

CONDENSED FINANCIAL STATEMENT

As of December 31, 2014

ASSETS—WHAT WE OWN

Net Utility Plant	\$16,429,935
Cash and Investments	11,169,998
Accounts Receivable	976,136
Materials and Supplies	191,977
Prepayments and Other Assets	694,749
Total Assets	\$29,462,795

LIABILITIES—WHAT WE OWE

Long-Term Debt to CFC	\$ 9,635,174
Current and Accrued Liabilities	2,062,231
Total Liabilities	\$11,697,405
Net Worth—Member Equity	
Membership Fees and Deposits	\$ 490,730
Patronage Capital	17,274,660
Total Liabilities and Net Worth	\$29,462,795

2014 REVENUES AND EXPENSES

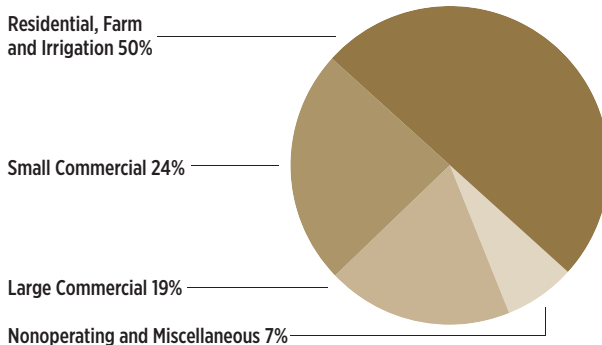
REVENUE—WHERE IT CAME FROM

Residential, Farm and Irrigation	\$7,217,332
Small Commercial	3,963,332
Large Commercial	2,261,276
Nonoperating and Miscellaneous	847,595
Total Revenue	\$14,289,535

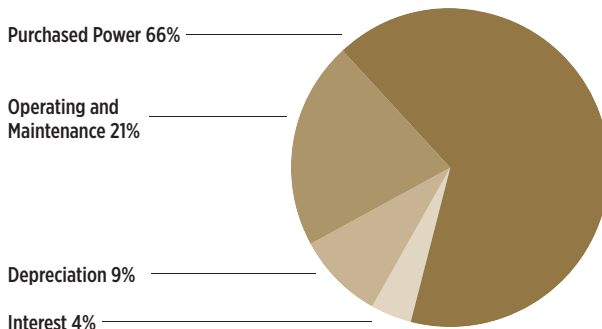
EXPENSES—WHERE IT WENT

Purchased Power	\$8,837,376
Operating and Maintaining System	2,711,992
Depreciation Expense	1,103,516
Interest on Debt	462,162
Total Expenses	\$13,115,046
Margins for 2014	\$ 1,174,489

WHERE IT CAME FROM



WHERE IT WENT



YOUR COOPERATIVE PERSONNEL

527 YEARS OF COMBINED EXPERIENCE

COLEMAN

Aaron Aristondo	First-Class Lineman	1 Year
Lindi Armstrong	Cashier/Customer Service	14 Years
Ricky Baker	Technical Meter Assistant	35 Years
Becky Brooks	Facilities and Maintenance	1 Year
Sage Brooks	Staking Technician	3 Years
Renée Brown	Executive Assistant/HR	30 Years
Jerry Campbell	Purchasing/Warehouse Superintendent	37 Years
John Casey	First-Class Lineman	29 Years
Mike Curry	Equipment Operator	33 Years
Ronnie Daniel	Equipment Operator	27 Years
Clint Gardner	General Manager	1 Year
Mark Garrett	First-Class Lineman	17 Years
Matt Henderson	Equipment Operator	20 Years
Michael Jewell	Line Foreman	26 Years
Michael Lobstein	Technical Meter Supervisor	36 Years
Benny Mendoza	Line Superintendent	26 Years
Danny Morales	Groundman/Apprentice Lineman	3 Months
Yancy Otts	Groundman/Apprentice Lineman	1 Year
Kelly Smith	First-Class Lineman	7 Years
Sherman Smith	Engineering Superintendent	34 Years
Synda Smith	Office Manager	17 Years
Trent Smith	Apprentice Lineman	3 Years
Kenna Stevenson	System Operator	4 Years
Kim Stovall	Bookkeeper/Accountant	7 Years
Kolton Titsworth	Groundman/Equipment Operator	3 Years
Connie Turner	Cashier/Member Service	34 Years
Michael Walters	Apprentice Lineman	6 Years
Tony Williams	Manager of Member Service	35 Years

BALLINGER

Jeff Moreland	First-Class Lineman	15 Years
Tim Williams	Apprentice Lineman	1 Year

WINTERS

Roy Gray	First-Class Lineman	1 Year
Mark Kaczyk	First-Class Lineman	23 Years

COOPERATIVE CONSULTANTS

Richards, Elder and Green, PLLC	Attorney
Bolinger, Segars, Gilbert & Moss	Auditors
SGS Engineering Company, P.E.	Engineers