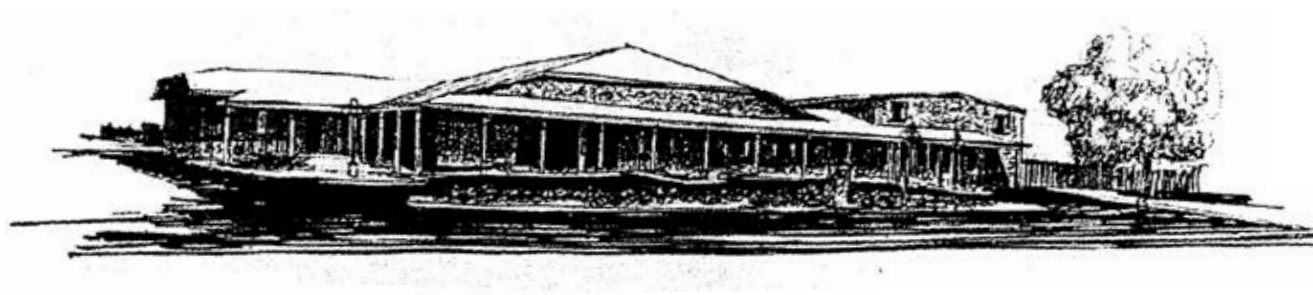


**TEXAS CO-OP POWER**

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**COLEMAN COUNTY ELECTRIC COOPERATIVE, INC.**

# **78<sup>TH</sup> ANNUAL MEMBERSHIP MEETING**

**Friday, July 15, 2016 • 5:30 P.M.**

Coleman High School • Coleman

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**THE 2015 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.**

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## **BALLOT IS INSIDE THIS COVER**

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Please fill out the ballot on the inside page and place 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* • **David Wright**, *Vice President* • **Helen Bragg**, *Secretary-Treasurer*

**Roger Bryan**  
**Roger Kruse**

**Sandy Neal**  
**Glen Scarborough**

**Anthony Strawn**

## OFFICIAL NOTICE

### To the Member Addressed:

You are hereby given notice that the 2016 Annual Meeting of the Members of Coleman County Electric Cooperative will be held at Coleman High School in Coleman on July 15, 2016, 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 15, 2016, at 7 p.m., at Coleman High School in Coleman. Registration begins 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. 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 15, 2016.**

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 2:**

Vote for One Nominee

- \*Roger Kruse  
 Brent Jacob

#### **DISTRICT 6:**

Vote for One Nominee

- Darla Wise  
 Doug Tucker  
 Travis Clevenger

*\*Incumbent*

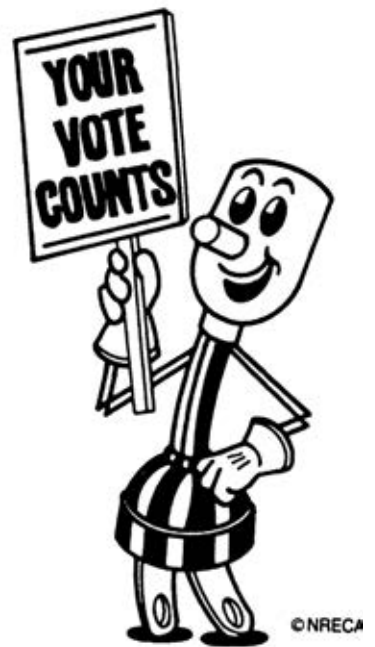
*Do not include ballots with your electric bill payments.  
Those ballots will not be counted.*

## VOTING INSTRUCTIONS

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**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 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 that 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 VOTING BY MAIL SHALL BE INSTRUCTED AFTER VOTING FOR THE DIRECTOR CANDIDATES TO PLACE THE 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 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

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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 before 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 15, 2016. 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 18th day of July, 2016.

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

## 78<sup>TH</sup> ANNUAL MEMBERSHIP MEETING

Friday, July 15, 2016

Coleman High School, Coleman

**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%) 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%) 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 member's meetings are given as provided by Article II of these bylaws, and with a notice of member's 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 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. 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 thereto;
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**

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**WE WELCOME YOU** to attend the 78th Annual Meeting of Coleman County Electric Cooperative.

It is our desire to bring you up to date on the operations of your cooperative, to review the accomplishments of the past year, and to 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**

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**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 Havlak Polka Band

**7-8 p.m. . . . . BUSINESS MEETING**

- Invocation
- Pledge of Allegiance
- National Anthem
- President's Report
- Secretary's Report
- Manager's Report
- Election of Directors
- 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

**AS CEO AND GENERAL MANAGER**, I'd like to personally invite you to the 78th Annual Meeting of Coleman County Electric Cooperative. This year's meeting will be held Friday, July 15, at the Coleman High School auditorium. Registration begins at 5:30 p.m., with the business meeting to follow at 7 p.m.

This event is not only a chance to visit with members of our co-op community, 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 and our strategic vision for the future. Our annual meeting also makes it possible for us to gather feedback from you on a one-on-one basis and let us know how we can better serve you.

This is an occasion to discuss and learn more about the issues affecting your electric cooperative. 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.

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 make 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 and, this year, our presidential candidates as well. 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?

As we finish our 78th year of serving the member-owners of Coleman County Electric Cooperative, I can report to you that our main goal has always been and will continue to be: to always provide the lowest-cost, most reliable, highest-quality service possible. We are constantly working to keep our costs down and reliability high. We look at new technology and new ways of doing things every day in our attempt to do our job better. We never forget who we work for: you, the members.

The board of directors and employees of Coleman County Electric Cooperative remain committed to service. It's not just a catchphrase but a real way of doing business.



*Clint Gardner*

**CEO/GENERAL MANAGER**

## BOARD OF DIRECTORS



**BOB FUCHS**  
*President*  
2000-2018  
**DISTRICT 7**



**DAVID WRIGHT**  
*Vice President*  
2010-2018  
**DISTRICT 3**



**HELEN BRAGG**  
*Secretary-Treasurer*  
1990-2017  
**DISTRICT 4**



**GLEN SCARBOROUGH**  
18 Years  
**RETIRING BOARD MEMBER**  
**DISTRICT 6**



**JOE F. "SANDY" NEAL**  
12 Years  
**RETIRING BOARD MEMBER**



**ROGER BRYAN**  
1984-2017  
**DISTRICT 1**



**ROGER KRUSE**  
2008-2016  
**DISTRICT 2**



**ANTHONY STRAWN**  
1993-2017  
**DISTRICT 5**

# NOMINATING COMMITTEE REPORT

## THE STATE OF TEXAS • THE COUNTY OF COLEMAN

WE, THE NOMINATING COMMITTEE, appointed the 22nd day of March 2016, by the board of directors of the Coleman County Electric Cooperative, met at the home office of the said cooperative at 3300 N. Highway 84 in the city of Coleman, Coleman County, Texas, on this 12th day of May 2016, at 9 a.m., pursuant to notice duly given with the following members present, to wit:

**Bill Bredemeyer**  
**Jerry Ellis**  
**Dwaine Lange**

**Jerald Wilson**  
**Harriet Fischer**  
**Absent: Roy Young and Glenda Gassiot**

We, the Nominating Committee, hereby nominate the following five (5) persons—two (2) to be elected at the annual meeting of the members to be held the 15th day of July 2016—to run for the office of director of said Coleman County Electric Cooperative 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 2

**\*Roger Kruse**  
Winters 79567

**Brent Jacob**  
Winters 79567

### DISTRICT 6

**Darla Wise**  
Gouldbusk 76845

**Doug Tucker**  
Santa Anna 76878

**Travis Clevenger**  
Coleman 76834

*\*Denotes incumbent*

Witness our hands at Coleman, Texas, this the 12th day of May 2016.

*Harriet Fischer*

*Dwaine C. Lange*

*Jerry L. Ellis*

*Jerald Wilson*

*Bill Bredemeyer*



## DIRECTOR NOMINEES

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### DISTRICT 2

**ROGER KRUSE** has been on the Coleman County Electric Cooperative Board of Directors since 2008. He and his wife, Rhonda, have three children and are members of the North Main Church of Christ in Winters. Kruse is a farmer and rancher. He has served on numerous boards in the Winters area. For 10 years, he served on the board of directors of the Winters Hospital District. He is also serving on the Elm Creek Water Control District Board of Directors as vice president. He has completed the required courses and training through the National Rural Electric Cooperative Association to receive his Credentialed and Board Leadership Certificate.

**BRENT JACOB** was raised in Runnels County. He attended Texas Tech University, completing a Bachelor of Science in agronomy. Jacob is employed by Helena Chemical Company. He farms cotton, wheat and sunflowers, and raises goats and cattle. He resides near Winters with his wife, Brandi, and their two children. They are members of St. Mary Star of the Sea Catholic Church in Ballinger. In recent years, Jacob has served on the Winters Area Business and Industrial Committee and the Winters Dovefest Committee.

### DISTRICT 6

**DARLA WISE** was born and raised in Coleman County. She married Hank Wise of Rockwood in 1986, and they have two sons. Wise graduated from Howard Payne University in 1993. She has been farming, ranching and working in the hunting business in Coleman County for 30 years. Wise has served on the Coleman County Chamber of Commerce, Coleman County Youth Activity Center, and 4B Economic Development boards. She received Coleman County's New Horizon Award in 2009. Wise is a member of Gouldbusk Methodist Church.

**DOUG TUCKER** graduated from Merkel High School in 1982 and has lived in the Santa Anna area for 25 years. He has four children. Tucker has been farming and ranching in Coleman and Brown counties since 1991. He is employed by WJH Energy.

**TRAVIS CLEVINGER** graduated from Navarro College in Corsicana in 2011. His grandparents, Haskell and Lena Clevenger, have been landowners in Coleman County since 1954. Upon their passing, Clevenger took over and now owns the family farm. Clevenger spent many of his childhood summers in Coleman County. He has been a John Deere technician for six years, working in the construction and agricultural fields. He operates the field service truck for Quality Implement Company in Coleman. He attends Hords Creek Cowboy Church.

## COOPERATIVE STATISTICS

	2015	2014
<b>KWh Purchased</b> .....	132,740,350	134,034,648
<b>Power Bill</b> .....	\$6,913,484	\$8,837,376
<b>KWh Sold</b> .....	121,285,374	122,562,886
<b>KWh Billing</b> .....	\$11,353,266	\$13,441,940
<b>Average Monthly Energy Revenue per Meter</b> .....	\$116.04	\$129.13
<b>Miles of Line Energized</b> .....	3,775	3,773
<b>Meters Connected as of December 31</b> .....	8,779	8,715
<b>Average Month kWh Usage (Residential Only)</b> .....	665	663
<b>New Services Connected</b> .....	165	149
<b>Hours Worked</b> .....	69,396	68,546
<b>Employees</b> .....	32	32
<b>Miles Driven in Cooperative Vehicles</b> .....	303,865	325,611
<b>Outages/Yearly Average Hours per Customer</b> .....	2.30	1.74



**EVERY MEMBER HAS A VOICE. EVEN THE ONES WHO CAN'T YET SPEAK.**

As an electric cooperative member, your household has a say in how the co-op is run, which helps you care for an even bigger family—your community. Learn more about the power of your co-op membership by attending your annual membership meeting July 15.

# FINANCIAL STATEMENTS

## CONDENSED FINANCIAL STATEMENT

As of December 31, 2015

### ASSETS—WHAT WE OWN

Net Utility Plant .....	\$16,476,914
Cash and Investments .....	12,445,971
Accounts Receivable .....	977,427
Materials and Supplies .....	199,213
Prepayments and Other Assets .....	82,276
<b>Total Assets .....</b>	<b>\$30,181,801</b>

### LIABILITIES—WHAT WE OWE

Long-Term Debt to CFC .....	\$ 9,061,053
Current and Accrued Liabilities .....	2,764,889
<b>Total Liabilities .....</b>	<b>\$11,825,942</b>
<b>Net Worth—Member Equity</b>	
Membership Fees and Deposits .....	\$ 539,608
Patronage Capital .....	17,816,251
<b>Total Liabilities and Net Worth .....</b>	<b>\$30,181,801</b>

## 2015 REVENUES AND EXPENSES

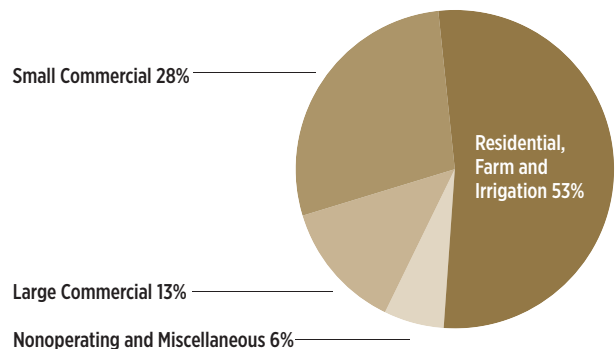
### REVENUE—WHERE IT CAME FROM

Residential, Farm and Irrigation .....	\$6,430,684
Small Commercial .....	3,370,652
Large Commercial .....	1,551,931
Nonoperating and Miscellaneous .....	744,132
<b>Total Revenue .....</b>	<b>\$12,097,399</b>

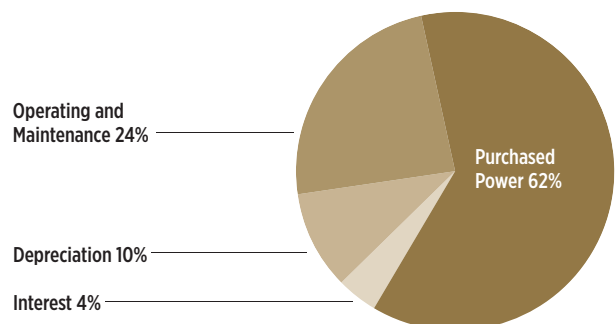
### EXPENSES—WHERE IT WENT

Purchased Power .....	\$6,913,484
Operating and Maintaining System .....	2,679,020
Depreciation Expense .....	1,119,156
Interest on Debt .....	419,792
<b>Total Expenses .....</b>	<b>\$11,131,452</b>
<b>Margins for 2015 .....</b>	<b>\$ 965,947</b>

## WHERE IT CAME FROM



## WHERE IT WENT



## YOUR COOPERATIVE PERSONNEL

### 530-PLUS YEARS OF COMBINED EXPERIENCE

#### COLEMAN

Aaron Aristondo	First-Class Lineman	2 Years
Lindi Armstrong	Cashier/Customer Service	15 Years
Ricky Baker	Meter Technician	36 Years
Becky Brooks	Facilities/Maintenance/Whse. Clerk	2 Years
Sage Brooks	Meter Assistant	4 Years
Renée Brown	Executive Assistant/HR	31 Years
Jerry Campbell	Purchasing/Whse. Supervisor	38 Years
Coriann Carrillo	Member Service/New Service	5 Months
John Casey	First-Class Lineman	30 Years
Murry (Mo) Clingerman	Accountant II	2 Months
Mike Curry	Equipment Operator	34 Years
Clint Gardner	CEO/General Manager	2 Years
Mark Garrett	First-Class Lineman	18 Years
Chris Guerrero	Equipment Operator	2 Months
Matt Henderson	Staking Technician	21 Years
Troy Hubbard	Apprentice Lineman	6 Months
Michael Jewell	Line Foreman	27 Years
Michael Lobstein	Metering Supervisor	37 Years
Benny Mendoza	Line Superintendent	27 Years
Danny Morales	Groundman/Apprentice Lineman	1 Year
Aaron Parks	Equipment Operator	5 Months
Kelly Smith	First-Class Lineman	8 Years
Sherman Smith	Staking Supervisor	35 Years
Synda Smith	Office Manager	18 Years
Trent Smith	Apprentice Lineman	4 Years
Kenna Stevenson	Billing and Information Services	5 Years
Kim Stovall	Accountant II	8 Years
Kolton Titsworth	Equipment Operator	4 Years
Connie Turner	Member Services/Clerk	35 Years
Michael Walters	Apprentice Lineman	7 Years
Tony Williams	Manager of Member Service	36 Years

#### BALLINGER

Jeff Moreland	First-Class Lineman	16 Years
Tim Williams	Apprentice Lineman	2 Year

#### WINTERS

Roy Gray	First-Class Lineman	2 Years
Mark Kaczyk	First-Class Lineman	24 Years

#### COOPERATIVE CONSULTANTS

Richards, Elder & Green	Attorney
Bolinger, Segars, Gilbert & Moss	Auditors
SGS Engineering	Engineers