



A Touchstone Energy® Cooperative 
The power of human connections®

80TH ANNUAL MEMBERSHIP MEETING

Friday, July 13, 2018 • 5:30 P.M.
Coleman High School • Coleman

THE 2017 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 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.

TEXAS CO-OP POWER

BOARD OF DIRECTORS

Bob Fuchs, President • **Roger Kruse**, Vice President • **David Wright**, Secretary-Treasurer

Les Dobbins

Richard Lange

Brent McMillan

Darla Wise

OFFICIAL NOTICE

To the Member Addressed:

You are hereby given notice that the 2018 annual meeting of the members of Coleman County Electric Cooperative will be held at Coleman High School in Coleman on July 13, 2018, at 7 p.m., to take action upon the following matters.

You will hear reports from officers and information about other business, and you'll elect two directors for a term of three years.

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. Anaka Grace will play guitar and sing before the business meeting begins at 7 p.m.

We urge you to be present for this meeting Friday, July 13, 2018, at 7 p.m. at Coleman High School in Coleman.

David Wright

David Wright

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

OFFICIAL BALLOT FOR ELECTION OF DIRECTORS

**Mail-in ballots must be in our office by
11 a.m., July 13**

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.

David Wright*

Billy Don Faries

DISTRICT 7:

Vote for one nominee.

Eli Droll

Bob Fuchs*

*Indicates incumbent

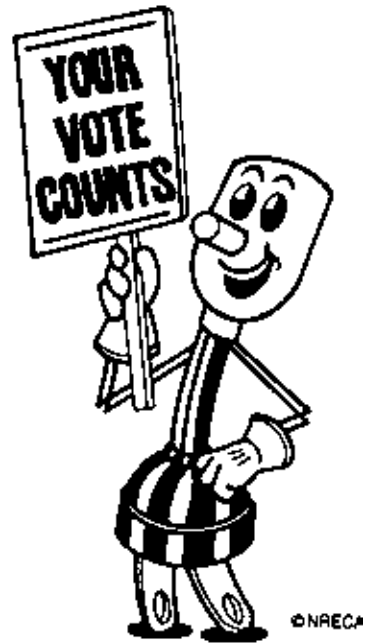
*Do not include ballots with your electric bill payments.
Those ballots will not be counted.*

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

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 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 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 HIS OR HER 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 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 13. From the following candidates listed on the ballot, two shall be elected to serve as directors of Coleman County Electric Cooperative for a three-year term, or until their successors shall have been elected. Said term to begin July 16, 2018. One director is to be elected from each of the two districts. YOU ARE ENCOURAGED TO VOTE FOR A DIRECTOR FROM EACH DISTRICT. Voters shall vote for the person of their choice by placing an "X" in the square opposite the name of the candidate of their choice.

COLEMAN COUNTY ELECTRIC COOPERATIVE
MEMBER REGISTRATION CARD

80TH ANNUAL MEMBERSHIP MEETING

Friday, July 13, 2018

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

WE WELCOME YOU TO THE 80TH ANNUAL MEETING OF COLEMAN COUNTY 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 faces 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 democratically elects directors to guide the affairs of your cooperative.

Coleman County Electric Cooperative is a business that belongs to the members. The many benefits of cooperative electric service, in turn, require an active, 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 Anaka Grace

7-8 P.M. BUSINESS MEETING

Invocation
Pledge of Allegiance
National Anthem
Secretary's Report
President'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 handicapped-accessible.

CEO/GENERAL MANAGER'S REPORT

AS YOUR CEO AND GENERAL MANAGER, I'D LIKE TO personally invite you to the 80th annual meeting of Coleman County Electric Cooperative.



This year's meeting will be held Friday, July 13, at the Coleman High School auditorium. Registration begins at 5:30 p.m. with the business meeting to follow at 7 p.m.

Your annual meeting is not only a chance to visit with

members of our co-op community but also allows us to inform you of the changes that have occurred at your cooperative since last year's meeting and detail our strategic vision for the future. Our annual meeting also makes it possible for you to visit with us one-on-one and let us know how we can better serve you.

The annual meeting presents an opportunity for you to exercise one of the greatest benefits of electric co-op membership—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.

2017 brought changes and upgrades to your cooperative. If you'll remember, we were in the process of pilot testing a new automated meter reading system that will replace the obsolete system and allow us to capture more information about our system for planning and forecasting purposes. We have since completed our pilot project and are now installing new AMR equipment throughout our system. As of the writing of this report, we have installed approximately 3,000 new meters and equipment needed in the field to report information gathered back to the office.

We are working with an Abilene engineering firm to convert our system maps to an updatable digital format as we build new lines and new services. This will greatly enhance the efficiency of our linemen responding to outages and calls for service from our membership.

Safety of our employees and the public is a top priority at CCEC. Our safety coordinator oversees the safety program, which includes eight safety meetings each year for employees who work outdoors and four meetings for indoors employees. We send our employees to schools that cover a variety of subjects, including training in overhead facilities, pole climbing, metering, regulator and breaker maintenance, commercial driver's license required classes and forklift training.

We continue to update our fleet to maintain a vibrant and dependable means of providing you with the service you deserve.

Winter, spring and summer temperatures throughout our service area increased the amount of electricity used by our members over 2016's usage by approximately 8 million kilowatt-hours. This uptick resulted in larger margins for the year while at the same time allowing us to pay for a portion of the AMR system with collected revenues.

I am pleased to announce that we will once again refund capital credits, in the amount of \$284,154.78, made up of the 1985 CCEC allocations of \$50,000 and \$234,154.78 from the 2017 capital credits allocation of Golden Spread Electric Cooperative, our wholesale power supplier.

As we continue in our 80th year of serving the member-owners of Coleman County Electric Cooperative, I can report to you that our main goal always has been and will continue to be the same: to provide the lowest-cost, most reliable, highest quality service possible. We are constantly working to keep our costs down and our system 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 CCEC remain committed to "service excellence." Working together, we are building our communities, bringing dreams to fruition, and giving youths a better future. I look forward to seeing you at this year's annual meeting of members.

Clint Gardner

CEO/GENERAL MANAGER

BOARD OF DIRECTORS



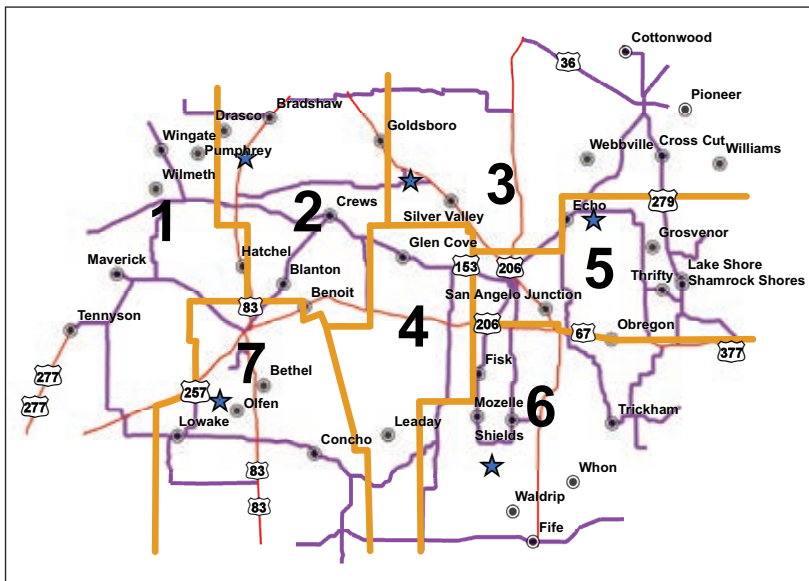
BOB FUCHS
President
2000-2018 | DISTRICT 7



ROGER KRUSE
Vice President
2008-2019 | DISTRICT 2



DAVID WRIGHT
Secretary-Treasurer
2010-2018 | DISTRICT 3



DARLA WISE
2016-2019 | DISTRICT 6



RICHARD LANGE
2017-2020 | DISTRICT 1



LES DOBBINS
2017-2020 | DISTRICT 4



BRENT MCMILLAN
2017-2020 | DISTRICT 5

NOMINATING COMMITTEE REPORT

STATE OF TEXAS • COUNTY OF COLEMAN

THE NOMINATING COMMITTEE OF COLEMAN COUNTY ELECTRIC COOPERATIVE, CONSISTING OF Dwaine C. Lange, Bill Bredemeyer, Jerald Wilson, Lorene Halfmann, Jody Barr, Jerry L. Ellis and Harriet Fischer, were appointed March 27, 2018, by the board of directors of Coleman County EC. The nominating committee met at the home office of the cooperative at 3300 N. Highway 84, in Coleman, May 14, 2018, at 9 a.m., pursuant to notice duly given, with the following members present, to wit:

Jody Barr
Bill Bredemeyer
Jerry L. Ellis
Harriet Fischer
Lorene Halfmann
Dwaine C. Lange
Jerald Wilson

We, the nominating committee, hereby nominate the following four people—two to be elected at the annual meeting of the members to be held July 13, 2018—to run for the office of director of 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 3

David Wright*
Novice 79538

Billy Don Faries
Novice 79538

DISTRICT 7

Eli W. Droll
Rowena 76875

Bob Fuchs*
Rowena 76875

Witness our hands at Coleman, Texas, this 14th day of May, 2018.

Jody Barr	Bill Bredemeyer
Jerry L. Ellis	Harriet Fischer
Lorene Halfmann	Dwaine C. Lange
Jerald Wilson	

DIRECTOR NOMINEES

DISTRICT 3

DAVID WRIGHT was appointed to the board of directors in April 2010. He is a graduate of Texas A&M University with a degree in veterinary medicine. He and his wife, Cathy, have one son, who is currently serving in the U.S. Coast Guard in Omaha, Nebraska. Wright also serves on the board for Holiday Hill Nursing and Memory Care Center in Coleman and is president of the Rough Creek Cemetery Association. He is the program director of and a professor for the veterinary technology program at San Juan College in Farmington, New Mexico. The Wrights moved back to the Novice area in 2009 from Abilene, where Wright also ranches. He has completed the required courses and training through the National Rural Electric Cooperative Association to receive Credentialed Cooperative Director and Board Leadership certificates.

BILLY DON FARIES was born and raised in Coleman County. After graduating from Coleman schools, he attended Cooke County Junior College, majoring in criminal justice. Faries is currently employed by Western Region Transportation, Texas Department of Criminal Justice, with 26 years of service. He resides near Novice with his wife, Darlene. When he is not working, he enjoys sports and activities with his 15 grandkids. He also enjoys working and riding two of his favorite horses.

DISTRICT 7

ELI W. DROLL was raised in Concho County. He is a 1997 Miles High School graduate. He attended Texas State Technical College in Sweetwater, completing an associate degree in semiconductor manufacturing and technology. Droll is a fifth-generation farmer and rancher, farming cotton, milo and wheat, as well as raising cattle in Runnels, Concho and Tom Green counties. He and his wife, Carol, and their four children reside near Rowena and are members of Saint Joseph Catholic Church in Rowena. In recent years, Droll has served in many different positions on the parish council, Knights of Columbus Council 2636, Rowena Volunteer Fire Department and Runnels County Farm Bureau Board of Directors. He has traveled to Austin and Washington, D.C., on many occasions to speak on issues concerning farm bureau members as well as his current farming and ranching operation.

BOB FUCHS has lived all his life in the Rowena area, where he farms and ranches. He and his wife, Mary (Puggy), have two daughters. He graduated from Texas State Technical Institute in 1974. Fuchs and his wife have been involved in 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, Ballinger Young Farmers and the Olfen ISD Board. Fuchs has completed the required courses and training through the National Rural Electric Cooperative Association to receive Credentialed Cooperative Director and Board Leadership certificates.

COOPERATIVE STATISTICS

	2017	2016
KWh Purchased	125,096,620	116,470,411
Power Bill	\$7,004,068	\$6,115,782
KWh Sold	113,417,728	105,796,005
KWh Billing	\$11,835,246	\$10,662,220
Average Monthly Energy Revenue per Meter	\$112.70	\$101.88
Miles of Line Energized	3,779	3,771
Meters Connected as of December 31	8,751	8,721
Average Month kWh Usage (Residential Only)	616	611
New Services Connected	111	130
Hours Worked	71,767	74,685
Employees	34	32
Miles Driven in Cooperative Vehicles	306,528	312,144
Outages/Yearly Average Hours per Customer	1.91	1.92

OUR OBJECTIVE AND MISSION STATEMENT

OUR OBJECTIVE

Customer Satisfaction: Coleman County Electric Cooperative will satisfy our members and customers by supplying and delivering cost-effective, reliable products.

Safety and Environmental Responsibility: Coleman County Electric Cooperative is committed to performing all activities in a safe and environmentally sound manner.

Commitment to Excellence: Coleman County Electric Cooperative is committed to building relationships based on mutual respect and understanding. We will improve continually in all phases of our business operations.

OUR MISSION STATEMENT

Coleman County Electric Cooperative dedicates itself to the improvement of its members' lifestyle and the economic environment of its service area.

The cooperative is committed to providing safe, reliable electric service at the lowest practical cost and to meeting the changing needs of its membership with a well-trained, quality workforce and with the use of sound business practices.

FINANCIAL STATEMENTS

CONDENSED FINANCIAL STATEMENT

As of December 31, 2017

ASSETS—WHAT WE OWN

Net Utility Plant	\$17,895,338
Cash and Investments	10,046,040
Accounts Receivable	917,778
Materials and Supplies	73
Prepayments and Other Assets	540,575
Total Assets	\$29,399,804

LIABILITIES—WHAT WE OWE

Long-Term Debt to CFC	\$ 8,112,962
Current and Accrued Liabilities	1,878,208
Total Liabilities	\$ 9,991,170
Net Worth—Member Equity	
Membership Fees and Deposits	\$ 462,251
Patronage Capital	18,946,383
Total Liabilities and Net Worth	\$29,399,804

2017 REVENUES AND EXPENSES

REVENUE—WHERE IT CAME FROM

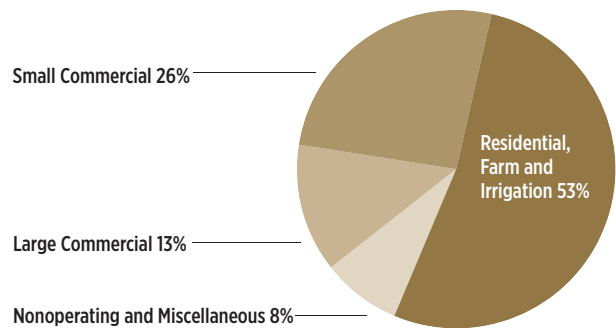
Residential, Farm and Irrigation	\$6,868,343
Small Commercial	3,302,155
Large Commercial	1,664,748
Nonoperating and Miscellaneous	1,061,804
Total Revenue	\$12,897,050

EXPENSES—WHERE IT WENT

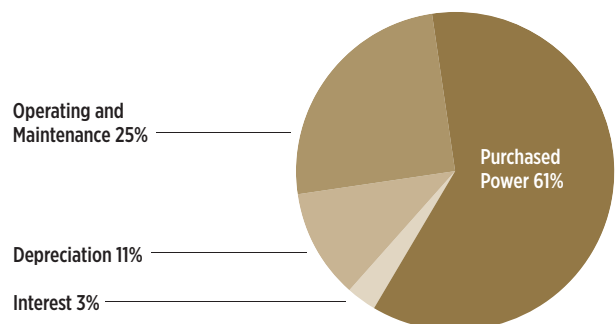
Purchased Power	\$7,001,985
Operating and Maintaining System	2,942,390
Depreciation	1,229,174
Interest on Debt	340,120
Total Expenses	\$11,513,669

Margins for 2017 **\$ 1,383,381**

WHERE IT CAME FROM



WHERE IT WENT



YOUR COOPERATIVE PERSONNEL

496 YEARS OF COMBINED EXPERIENCE

COLEMAN

Zach Adams	Staking Technician	9 Months
Lindi Armstrong	Cashier/Customer Service	17 Years
Ricky Baker	Metering Supervisor	38 Years
Becky Brooks	Warehouse Supervisor	4 Years
Sage Brooks	Meter Assistant/Mapping	6 Years
Renee Brown	Executive Assistant/HR	33 Years
CoriAnn Carrillo	Member Services/New Service	2 Years
John Casey	First-Class Lineman	32 Years
Murry (Mo) Clingerman	Accountant II	2 Years
Mike Curry	Equipment Operator	36 Years
Clint Gardner	CEO/General Manager	4 Years
Mark Garrett	First-Class Lineman	20 Years
Chris Guerrero	Equipment Operator	2 Years
Matt Henderson	Meter Assistant	23 Years
Michael Jewell	Line Foreman	29 Years
Ladd Lawrence	Groundman/Equipment Operator	9 Months
Benny Mendoza	Line Superintendent	29 Years
Danny Morales	Groundman/Apprentice Lineman	2 Years
Aaron Parks	Equipment Operator	2 Years
Kelly Smith	First-Class Lineman	10 Years
Sherman Smith	Staking Supervisor	37 Years
Synda Smith	Office Manager	20 Years
Trent Smith	Apprentice Lineman	6 Years
Kenna Stevenson	Billing and Information Services	7 Years
Kolton Titsworth	Equipment Operator	6 Years
Connie Turner	Member Services/Clerk	37 Years
Matt Turner	Groundman/Equipment Operator	3 Months
Michael Walters	Apprentice Lineman	9 Years
Tony Williams	Manager of Member Services	38 Years

BALLINGER

Jeff Moreland	First-Class Lineman	17 Years
Kenny White	First-Class Lineman	7 Months

WINTERS

Zach Hooper	Apprentice Lineman	1 Year
Mark Kaczyk	First-Class Lineman	25 Years

COOPERATIVE CONSULTANTS

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