

# Texas Coop Power

FOR TRI-COUNTY ELECTRIC CO-OP MEMBERS

SEPTEMBER 2020

Turn to the **back cover** for your chance to win **bill credits** and **door prizes**!

## 81<sup>ST</sup> ANNUAL MEETING OF THE MEMBERS



A Touchstone Energy® Cooperative

### In this issue:

- ▶ Annual Meeting Notice
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**BALLOT  
ON BACK**

**Vote to win!**

# JOIN US FOR A *VIRTUAL* ANNUAL MEETING

Please join us for a *VIRTUAL* Annual Meeting on Tuesday, October 6 at 7 pm.

Members can listen by phone or watch online. Complete details on how you can participate are listed inside on page 19.

Your election mail-in ballot is located on the back of this magazine. For complete voting details and instructions, please see the inside back cover of this magazine.

Each member who votes by **Wednesday, September 30**, will receive a \$12 bill credit. Door prize winners will be drawn at random from the pool of members who vote in the election.



Turn to the back  
cover to  
**complete your  
ballot for a \$12  
bill credit and  
your chance to  
win prizes!**

# 2020 District Meetings and Elections

The cooperative's 16-county service area is divided into eight director districts. Each year, one-third of the directors are up for election and meetings are held within the respective districts for director nominations. This year, director districts 1 and 4 are up for election. Directors are elected to three-year terms.

District Meetings notices were mailed to all members residing in District 1 and District 4 on Saturday, June 6, 2020, in accordance with the cooperative's bylaws. The meeting for District 1 was held on Wednesday, July 8, at 404 Main Place in Azle. The meeting for District 4 was held on Thursday, July 9, at Garner Elementary School in Weatherford.

Please turn to page 24 to view a full report on the 2020 District Meetings and the director nominee's biography.

## Official Ballot Instructions

***Please read all instructions carefully prior to voting, as this year's election process has changed.***

### Voting Information

Every member is eligible to vote in the election, regardless of the district in which they reside. Only one ballot may be cast per membership.

**All members who vote prior to the deadlines below will receive a \$12 credit on their electric account, and will be entered to win door prizes announced during the virtual Annual Meeting.**

### How to Vote

This year, members have the option to vote by mail-in ballot or online. No ballots will be accepted at our offices.

**1. Mail-in Ballot:** To vote by mail, complete the ballot located on the back of this *Texas Co-op Power* magazine and mail to Survey and Ballot Systems (SBS), in the postage-paid envelope provided, by Wednesday, September 30, 2020. If you lose the envelope, mail your ballot to:

Tri-County Electric Cooperative -TX  
C/O Survey and Ballot Systems  
7653 Anagram Drive  
Eden Prairie, MN 55344-9833

**2. Online:** To vote online, go to **[directvote.net/TCECTX](https://directvote.net/TCECTX)** and enter your ballot ID and election passcode printed on the back of this *Texas Co-op Power* magazine. Follow the instructions given on the board election website to cast your vote. All votes must be cast by 5 pm on Wednesday, September 30, 2020, to be valid.

**Full Voting  
Details are on  
the back of this  
page.**

***Learn more  
about online  
voting!***

Members who vote by the deadline will receive a **\$12 credit** on their electric account **AND** will be **entered to win door prizes** announced during the *virtual* Annual Meeting!

Tri-County Electric Cooperative

# OFFICIAL 2020 ELECTION MAIL-IN BALLOT

All members are eligible to vote regardless of the Director District in which you reside.

Complete your ballot and mail to Survey and Ballot Systems (SBS) in the postage-paid envelope provided, or vote online at **directvote.net/TCECTX** using your ballot ID and passcode below.

***All members who vote, sign and mail their ballots by Wednesday, September 30, 2020, will receive a \$12 credit on their electric account.***

Please use blue or black ink. Preferred marking method: 

If you lose the envelope, mail your ballot to:

Tri-County Electric Cooperative -TX  
C/O Survey and Ballot Systems  
7653 Anagram Drive  
Eden Prairie, MN 55344-9833

## **District Director Election**

A report on the 2020 District Meetings and the Nominee's biography are located inside on page 24.

## **District 4 Director Election**



**Jerry Walden**

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Member Signature

***Absolutely no ballots will be accepted at our offices.***



# 81<sup>st</sup> Annual Meeting of the Members

## INVITATION AND OFFICIAL NOTICE

Tri-County Electric Cooperative invites you to the 81<sup>st</sup> Annual Meeting of the Members. Please join us **virtually** on Tuesday, October 6, at 7 pm. The purpose of this meeting is to elect members to the Board of Directors, approve reports for the 2019 fiscal year, and transact any other business related to the co-op.

Your cooperative is doing everything we can to protect our member-owners, directors and employees during the global coronavirus pandemic. As part of this effort, we are transitioning from our normal in-person meeting held in Weatherford to a safe alternative.

Please make plans to join us for the Annual Meeting **online** or by **phone**. Members can register for the meeting in advance online at [tcectexas.com/annual-meeting](https://tcectexas.com/annual-meeting).

Member-owners are strongly encouraged to vote in this year's Board of Directors election. Please complete the ballot on the back of this magazine or vote online before Wednesday, September 30, 2020. Full voting details and ballot instructions are located on the inside back cover of this magazine. All member-owners who vote in the election by the deadline will receive a \$12 bill credit and will be entered into the door prize drawing held during the **virtual** Annual Meeting.

Sincerely,



**John Killough**  
Board Secretary/Treasurer

## WHEN

**Tuesday, October 6**  
**7 pm**

## WHERE

Participate **virtually**:  
**- Online at**  
**[tcectexas.com/annual-meeting](https://tcectexas.com/annual-meeting)**  
**- by Phone**

## REGISTRATION

**Online at**  
**[tcectexas.com/annual-meeting](https://tcectexas.com/annual-meeting)**

Members who register will receive a phone call prior to the meeting that will connect them to the Annual Meeting.

*If you do not access to the Internet, please call our offices at 817-444-3201.*

# 2020 *Virtual* Annual Meeting

## The Meeting

For the health and safety of our member-owners and employees, we will hold this year's annual meeting **virtually**. Cooperative leadership feel this is the best decision as we all power through the COVID-19 pandemic.

A 30-minute business meeting is scheduled for 7 pm in lieu of the usual in-person meeting held in Weatherford. Members can participate by phone or online.

## To participate:

Register online at [tcectexas.com/annual-meeting](http://tcectexas.com/annual-meeting)

*If you do not have access to the Internet, please call our offices at 817-444-3201.*

## The Election

Member-owners are encouraged to vote in this year's election. You can find your official ballot on the back of this magazine. All members may vote in the election, regardless of the district in which you reside.

Members who vote by Wednesday, September 30, through our third-party election partner, Survey and Ballot Systems, will receive a \$12 credit on their electric account. Absolutely no ballots will be accepted at our offices.

## Door Prizes

Member-owners who participate in this year's election and vote by the deadline will be entered into this year's door prize drawing. Winners will be selected at random by Survey and Ballot Systems and will be announced during the **virtual** business meeting.

## MEETING AGENDA

### Welcome

Gloria Barron

Director of Marketing and Business Development

### Business Meeting Reading of the Notice & Proof of Mailing

Jorden Wood

Board President

### Treasurer's Report

John Killough

Board Secretary/Treasurer

### Report on District Meetings & Director Nominations

Darryl Schriver

General Manager/CEO

### Election of Board Members

Darryl Schriver

General Manager/CEO

### State of the Cooperative

Darryl Schriver

General Manager/CEO

### Door Prize Drawings

### Question and Answer

Darryl Schriver

General Manager/CEO

## Don't forget to vote!

Members are encouraged to participate in this year's election by voting online or by mail.

Full voting details and ballot instructions are located on the **inside back cover** of this magazine.



Tri-County Electric Cooperative

# 2019 Annual Report

*The following pages contain information on cooperative operations from the fiscal year ending March 31, 2020.*

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**Proudly  
Taking Care of our  
Member-Owners  
since 1939.**

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## MISSION

The mission of our Cooperative family is to enhance the quality of life in our diverse communities by providing safe, reliable and competitive electric and customer service to our member-owners as good stewards of the environment.

# A Year in Review

## A Message from your General Manager/CEO & Board Chairman



GENERAL  
MANAGER/  
CEO

**DARRYL  
SCHRIVER**

Electric cooperatives were born from the Great Depression. More than 80 years later, they continue to prosper through adversity. This year is a perfect example.

Last August, Tri-County Electric Cooperative launched the pilot for our Advanced Member Power project and began deploying our new advanced metering system. Our current metering system is approaching its end-of-life in 2021 and the software will no longer be supported. As of late July, about 60 percent of our old meters have been upgraded to digital smart meters – a more efficient and responsive system that allows you, as members, to easily monitor electricity use and track your savings.



BOARD  
CHAIRMAN

**JORDEN  
WOOD**

Tri-County Electric Co-op continues to expand maintenance efforts – pole and underground inspections and vegetation management – to increase system reliability. Most of our system in the Keller area is underground. This reduces visual clutter, but it provides challenges when troubleshooting outages and increases restoration time. We are ramping up inspections to identify issues before they cause your power to go out. Vegetation management efforts have ramped up as well. Properly maintained rights-of-way keep trees from encroaching on our lines, which reduces blinks and outages.

In early 2020, a global pandemic brought a new challenge for our lives and businesses. In early March, cooperative leadership made the decision to close our lobbies to protect our members, the public and our employees. Drive-through windows in Azle and Keller remain open for regular business hours to serve our members while ensuring health and safety. The power industry does not lend itself to a work-from-home environment like many businesses, so every employee continues to come to work each day. To stay safe and healthy, we continue to practice social distancing and use virtual communication platforms.

In April we held a special election asking members' opinion on the sale of our subsidiary company. A letter and a ballot were mailed to more than 91,000 members, a direct representation of Cooperative Principle No. 2: Democratic Member Control. More than 29,500 members participated in the election, with more than 90 percent in favor of the sale. The board is in the process of completing the sale, which will allow us to get back to our core task: serving our members with affordable, reliable electricity.

As if we did not have enough going on, we moved into our new Aledo office in May. Personnel from various departments, including accounting, engineering, administrative, system operations and others, now work under one roof in the new facility. Crew members remain in Azle, along with a few member services employees who keep the drive-through open.

In July we held district meetings for director districts 1 and 4. A full report on these meetings is on page 24. On the ballot located on the back of this magazine, you will see Mr. Jerry Walden as the nominee for Director District 4. Since the resignation of our District 1 Director in late May, the Board considered and weighed their options in accordance with cooperative bylaws. There was an opportunity for the members of District 1 to nominate a candidate for the Board at the District 1 Meeting. The meeting did not meet the 3 percent attendance required for a quorum, so the vacancy on the Board for District 1 will be filled by appointment by the Board of Directors. After careful consideration, the Board has decided to hold off on appointing a member to fill the vacancy while they examine the boundaries and membership size of the co-op's director districts.

For a few years, the Board has looked at revising our cooperative bylaws. Those changes are coming soon and will be announced to the membership in the next few months. The changes being considered reflect best practices and are in the interest of the cooperative and its members. Revising boundaries and bylaws is never easy, but the board vacancy has created an opportune moment. It has been several years since the director district boundaries have been reviewed and edited.

Looking back, the past year was full of milestones, achievements and challenges for your cooperative. We look forward to another successful year taking care of our member-owners.



# Statement of Income and Expenses

12 MONTHS ENDED MARCH 31, 2020		
<b>INCOME</b>		
Electric Energy Revenue .....	\$248,869,620	94.6%
Interest Income .....	\$1,509,867	0.6%
Non-Operating Income and Capital Credits .....	\$12,798,939	4.9%
<b>TOTAL INCOME</b> .....	<b>\$263,178,426</b>	<b>100%</b>
<b>EXPENSES</b>		
Electric Power Cost .....	\$182,955,859	74.2%
Electric Operating Expense .....	\$40,224,530	16.3%
Electric System Depreciation .....	\$15,998,745	6.5%
Interest Expense .....	\$5,605,375	2.3%
Taxes and Other .....	\$1,664,017	0.7%
<b>TOTAL EXPENSES</b> .....	<b>\$246,448,526</b>	<b>100%</b>
<b>NET MARGINS</b> .....	<b>\$16,729,900</b>	<b>6.4%</b>

# Condensed Balance Sheets

	MARCH 31	
	2020	2019
<b>ASSETS</b>		
Cash .....	\$20,007,599	\$10,087,730
Temporary Investments .....	\$15,000,000	\$26,949,975
Accounts Receivable .....	\$9,884,630	\$10,958,632
Equity in Associated Organizations .....	\$151,307,272	\$143,563,325
Investment in Subsidiary .....	\$35,713,263	\$37,363,652
Materials and Supplies .....	-	\$3,928,584
Utility and Nonutility Plant (Net of Depreciation) .....	\$387,134,179	\$339,154,762
Accrued Revenues .....	\$12,880,000	\$17,310,000
Other Assets .....	\$908,846	\$4,047,282
<b>TOTAL ASSETS</b> .....	<b>\$632,835,789</b>	<b>\$593,363,942</b>
<b>LIABILITIES</b>		
Long-Term Debt .....	\$141,919,936	\$123,088,466
Accounts Payable and Other Current Liabilities .....	\$24,107,709	\$25,094,837
Accrued Power Cost, Advanced Payments .....	\$25,446,357	\$17,216,423
Accumulated Provisions .....	\$25,673,796	\$22,921,396
Consumer Deposits .....	\$6,417,474	\$5,251,864
Accrued Taxes, Interest and Other .....	\$12,210,844	\$10,676,435
<b>TOTAL LIABILITIES</b> .....	<b>\$235,776,116</b>	<b>\$204,249,421</b>
<b>EQUITIES</b>		
Membership Fees .....	\$2,254,702	\$2,182,871
Patronage Capital .....	\$394,804,971	\$386,931,650
<b>TOTAL EQUITIES</b> .....	<b>\$397,059,673</b>	<b>\$389,114,521</b>
<b>TOTAL LIABILITIES AND EQUITIES</b> .....	<b>\$632,835,789</b>	<b>\$593,363,942</b>

*\*The consolidated financial audit for the fiscal year ending March 31, 2020, had not been finalized at the time of printing. As a result, the information presented above reflects unaudited year-end, stand-alone financial statements for Tri-County Electric Cooperative, Inc. for 3/31/2020.*

# Operating Highlights

12 MONTHS ENDED MARCH 31  
2020                      2019

Total Revenue .....	\$263,178,426	\$277,068,121
Total Expenses.....	\$246,448,526	\$261,366,349
Plant Additions (Net of Accumulated Depreciation) .....	\$47,979,417	\$27,070,095
Utility Plant - Gross.....	\$564,572,043	\$504,751,145
Total Active Meters .....	116,228	112,159
Plant Investment Per Member-Owner .....	\$4,857	\$4,500
Peak Demand (kW) .....	706,458	756,194
Electric Energy Sales (kWh).....	2,988,990,449	2,983,384,099
Residential Average Annual Use (kWh).....	18,944	19,481
Commercial/Industrial Average Annual Use (kWh) .....	68,521	72,362
System Average Retail Cost per kWh .....	\$0.087	\$0.083
Net Margins .....	\$16,729,900	\$15,675,082
Total Miles of Line.....	9,145	8,991

## BY THE NUMBERS



**91,278**  
**Member-Owners**

Our membership grew by 2,576 members.



**65,638**  
**Online Portal Users**

and 3,772 members have downloaded TCEC Connect, our mobile app.



**116,228**  
**Meters**

Total active meters increased by 4,069 from last year.



**2.99 billion**  
**kilowatt-hours**

were used by our membership. The average residential cost per day was \$4.83.



**9,145**  
**Miles of Line**

We expanded our system by building 154 miles of electric line.



**6**  
**Offices**

to serve our growing membership. This year, we added an office in Aledo.



**16**  
**Counties**

We serve portions of Archer, Baylor, Denton, Foard, Haskell, Hood, Jack, King, Knox, Palo Pinto, Parker, Stonewall, Tarrant, Throckmorton, Wilbarger and Wise counties.



**210**  
**Employees**

available to serve you.

# Report on 2020 District Meetings

The cooperative’s 16-county service area is divided into eight director districts. Each year, one-third of the directors are up for election. District meetings are held within the respective districts for the purpose of nominating a fellow member-owner to be placed on the ballot at Annual Meeting. Directors are elected to three-year terms and represent the member-owners of their district in the board room.

This year, director districts 1 and 4 are up for election.

## District 1 Meeting

District Meetings notices were mailed to 9,529 member-owners residing in District 1 on Saturday, June 6, 2020, in accordance with the cooperative’s bylaws. The quorum requirement to conduct business was 285 member-owners.

The meeting for District 1 was held at 6:30 pm on Wednesday, July 8, at 404 Main Place in Azle. Registration opened at 6 pm and 84 member-owners registered at the meeting. Since quorum was not met, no official business was held.

## District 4 Meeting

District Meetings notices were mailed to 6,445 member-owners residing in District 4 on Saturday, June 6, 2020, in accordance with the cooperative’s bylaws. The quorum requirement to conduct business was 192 member-owners.

The meeting for District 4 was held at 6:30 pm on Thursday, July 9, at Garner Elementary School in Weatherford. Registration opened at 6 pm and 94 member-owners registered at the meeting. Since quorum was not met, no official business was held and Mr. Jerry Walden of Garner became the official nominee for Director District 4.

## District 1

The District 1 Director seat on the Board of Directors is vacant.

Mr. Todd Smith resigned his seat on the Board of Directors after being named the lone finalist for the Azle ISD Superintendent position.

The Board of Directors is weighing options to fill the vacant position in accordance to cooperative bylaws.

Learn more in “A Year in Review” on page 21.



**JERRY  
WALDEN**

DISTRICT 4  
DIRECTOR  
NOMINEE

## District 4

Mr. Jerry Walden currently represents the member-owners of District 4. He has served on the Tri-County Electric Cooperative Board of Directors since September 1999.

Mr. Walden, a lifelong resident of Parker County, enjoys farming and ranching with his family in the Garner and Millsap communities. He built custom homes for many years and shares ownership of Walden Farm and Ranch Supply with his family. Mr. Walden served on the Garner ISD School Board for 10 years and served as President.

# 80<sup>th</sup> Annual Meeting Minutes

Tuesday, October 1, 2019 | 7 pm

The 80th Annual Meeting of the members of Tri-County Electric Cooperative, Inc. was held at the Weatherford High School Auditorium, 2121 Bethel Road, Weatherford, Texas, on Tuesday, October 1, 2019 at 7:00 p.m.

Gloria Barron, Director of Marketing & Business Development opened the meeting with the presentation of the state and national colors, National Anthem, and the invocation then followed.

Special guests, Tri-County Electric Cooperative Board of Directors and General Counsel were then introduced.

Darryl Schriver, General Manager/CEO began with a few prize drawings.

Ms. Barron then introduced the President of the Tri-County Electric Cooperative Board of Directors, Jorden Wood. The meeting was then called to order by Mr. Wood.

Ms. Barron then read the notice of the annual meeting and proof of mailing. It was reported that a total of 89,702 notices of the Annual Meeting had been mailed. The quorum requirements for the election of Directors must be set at a minimum of 4,485. There were 3,804 ballots returned by mail, and 1,170 ballots in person at this meeting for a total of 4,974 ballots cast for this election resulting in a quorum.

Mr. Schriver called for the approval of the minutes of the 2018 Annual Meeting. A motion and a second was made from the floor to dispense with the reading of the minutes. The motion carried and the minutes were approved.

Todd Smith, Secretary/Treasurer then gave the Treasurer's report to the membership.

Mr. Schriver then reported on the District Meetings in Districts 5, 9, and 10. The

nomination process was explained. At each of the District Meetings a Director was nominated. Steve Harris was the nominee for District 5, Max Waddell District 9, and Larry Miller for District 10. The nominees are elected by mail ballots and ballots presented today. Based on the vote tabulation from the ballots, the nominees were approved by the membership in accordance with the Cooperative Bylaws and were elected for a three-year term to the Tri-County Electric Cooperative Board of Directors

Prize drawings continued.

Mr. Schriver then recognized the employees and gave a report on the state of the Cooperative.

The business meeting was then adjourned at 8:00 p.m.

Prize drawings continued, and Mr. Schriver thanked the vendors who contributed prizes for the Annual Meeting.

## Tri-County Electric Cooperative

A Touchstone Energy® Cooperative 

### CONTACT US

200 Bailey Ranch Road  
Aledo, TX 76008  
**Phone** (817) 444-3201  
**Email** [customer\\_service@tcectexas.com](mailto:customer_service@tcectexas.com)  
**Web** [tcectexas.com](http://tcectexas.com)

**General Manager/CEO**  
Darryl Schriver

**Board of Directors**  
Jorden Wood, President  
John Killough, Secretary-Treasurer  
Jerry A. Walden  
Steve V. Harris  
Dr. Jarrett Armstrong  
Max Waddell  
Larry Miller

**24/7**

## Outage Hotline Numbers

For information and to report outages, please contact us.

Phone: (817) 444-3201  
Online: [tcectexas.com](http://tcectexas.com)  
App: TCEC Connect

### ABOUT TRI-COUNTY ELECTRIC CO-OP

Tri-County Electric Co-op owns and maintains more than 9,145 miles of line to provide electric service to more than 93,000 members in Archer, Baylor, Denton, Foard, Haskell, Hood, Jack, King, Knox, Palo Pinto, Parker, Stonewall, Tarrant, Throckmorton, Wilbarger, and Wise counties.

### OFFICE LOCATIONS

**Aledo**  
200 Bailey Ranch Road, Aledo 76008

**Azle**  
600 NW Parkway, Azle 76020

**Granbury**  
1623 Weatherford Highway, Granbury 76048

**Keller**  
4900 Keller-Hicks Road, Fort Worth 76244

**Seymour**  
419 N. Main, Seymour 76380

### IT PAYS TO STAY INFORMED

Find your account number in pages 18-25 of *Texas Co-op Power*, and you will receive a \$20 credit on your electric bill. Simply contact one of the offices listed above and make them aware of your discovery!

**VISIT US ONLINE**  
[tcectexas.com](http://tcectexas.com)  
[Facebook.com/TCECTexas](https://www.facebook.com/TCECTexas)