



Rio Grande Electric Cooperative, Inc.

UP DATE



September, 2005



A Message From The General Manager/CEO

By Daniel G. Laws

“Annual Meeting is just around the corner.”

It doesn't seem possible, but Annual Meeting time is just around the corner. Rio Grande Electric Cooperative will hold its Annual Meeting in Alpine, Texas, for the very first time October 8, 2005. I hope to see many of you there for what promises to be an informative and entertaining meeting. Last year's Annual Meeting, held in Brackettville, saw record attendance. I challenge the western portion of our system to step up to the plate and show the folks on this side what a good turn out looks like.

You have no doubt noticed that we rotate the Annual Meeting around the service area to towns where we have Area Offices. So you may be wondering why the Annual Meeting is being held in Alpine. Well, it's because we now have an Area Office there! That's right—we are relocating our Marfa operation to Alpine. Now before anyone starts jumping to conclusions, let's set the record straight. This decision is based on business rationale only; it has absolutely nothing to do with the community of Marfa. Rio Grande has enjoyed a long and mutually beneficial relationship with Marfa and will continue to do so.

Those who have visited our Marfa office know that it is old and not in the best condition. In its former life, the building served as a lumber yard and the warehouse was built to accommodate the stacking and storage of lumber and building materials. The warehouse has a dirt floor and the layout, while good for a lumber yard, made it difficult to organize line construction materials the way they need to be organized.

During the Cooperative's last strategic planning session, it was recommended by management staff that we consider improving the Marfa office building. The board agreed with that recommendation and made it one of the goals included in my evaluation. Once the decision to do something with the building was made, a number of questions had to be answered. Should we rebuild the existing building? Should we locate and purchase another building in Marfa? Should we relocate to another community altogether? Needless to say, the list gets pretty lengthy.

In the end, just as with every other question we deal with, we considered the interests of the membership and how the members would be best served by the decisions to be made. And so we chose to purchase an existing building in Alpine. This decision makes the office more accessible to more members; is more centrally located in the operating area thereby reducing response time to outages, and is now very close to critical transmission facilities in the area. In addition to the forgoing, the sale of the Marfa office and the purchase of the Alpine office produced a net gain of \$60,000! That's not bad by any standard.

By the end of September we will have fully relocated to Alpine. Some employees will continue to live in Marfa, while the rest will either relocate to Alpine, are already living there, or will be hired locally. When all is considered, I hope you can agree that we have done well to improve our position as your **“Home Team Advantage”**.

*Rio Grande's 60th Annual Meeting
Saturday, October 8, 2005
Alpine, Texas*