



Rio Grande Electric Cooperative, Inc.

Up Date

July, 2008



A Message From The General Manager/CEO

By Dan Laws

“...the greatest nation on the face of the Earth.”

By the time you read this, we will have just celebrated our nation's independence. You and I have the benefit of living in the greatest nation on the face of the Earth. We enjoy freedoms that others can only dream about. We are even free to complain about the way our freedoms are administered!

We complain about politicians. In fact, it's a national pass time—second only to baseball. And, when we are not complaining about politicians, they are complaining about each other. Democrats say global warming is fast approaching, if it hasn't already arrived. Republicans say there is no such thing — it's just a normal weather pattern that is cyclical. One famous female celebrity of my generation, said hurricanes Rita and Katrina were George Bush's fault! She said he is the reason there is global warming.

Each branch of our government accuses the other of over-stepping its constitutional authority. We blame the government for unemployment, AIDS and the shortage of flu vaccine. We expect every level of government to be able to readily deal with the results of horrific natural disasters, and when the damage is more than anyone could have conceived, we blame the leadership of government.

We complain about our taxes, and, in the next breath, complain about people not having access to health care. We don't want anyone to be homeless, but we don't want to pay more taxes. We are unwilling to have our freedoms tampered with, but we get upset when our military must flex its collective muscle.

And yet, one simple truth abounds—none of us would leave the safety of our shores for any other corner of the world. We are safe! We are free! We are independent! And no one on Earth or in history has experienced these valuable commodities in more abundance than we do and have.

All of this is possible—the complaining, the safety, the freedom, the independence, because there are those who stand in harms' way to ensure these precious rights remain. They train, they suffer, they prepare, they stand ready—and when called upon, they march into the very jaws of danger to preserve what we feel so free to complain about. They do it for us, they do it for the oppressed around the world when necessary; and they do it without complaining.

I have watched interviews with those who have returned injured; in some cases permanently impaired. I have listened as one after another explains in clear words, they would do it all again. They would do it again because at some point in their lives the rights we enjoy as Americans became more than an intellectual understanding—it became a part of them. The American Military is on alert around the world; please keep them in your prayers.

Although there is no comparison in terms of sacrifice, I want you to know there are those who make sure that you always have access to safe reliable electric energy. The board of directors and employees do a lot everyday to ensure your access to electric energy is all that you need it to be. And when your lights do go out, notice the conditions that exist at that time and be reminded that there are linemen out in those conditions working hard to restore your power. Please pray for them, as well.

Happy Birthday America!

How & When Capital Credits Are Allocated

What Capital Credits Are: Capital Credits are revenue less expenses and principal payments on long-term debt, and are allocated based on kilowatt hour usage.

What Capital Credits Are Not: The dollar amount that appears on any Capital Credit Allocation Statement is not money in some bank account or investment institution. It represents a value in the equity of Rio Grande Electric Cooperative, Inc. The Co-op does not pay interest on Capital Credit allocations, but any interest earned on money in the Co-op's temporary investments is included in allocations.

When Capital Credit Allocations Are Made: When the expenses and principle payments on the Co-op's long-term debt are less than the revenue taken in, Capital Credits are allocated. In years when the expenses and principle payments on long-term debt are more than the revenue taken in, Capital Credits are not allocated. Such is the case of the year 2007.

When Capital Credits Are Retired: The board has a set of management goals that have to be reached before retirement can occur. Currently, the only goal that is preventing retirement of Capital Credits is the amount of cash on hand.

RGEC will maintain a member's Capital Credit account until the board decides the Co-op is able to start retiring (paying) Capital Credits, starting with the oldest, as per Board Policy #124. When the retirement of Capital Credits does start, if RGEC cannot locate a member because of a bad address, the money will remain under that member's name -- either here at RGEC, or with the State Comptroller. In no case does it become the Co-op's or anyone else's property. Capital Credit allocations are an important reason for members to make sure their address and telephone information on file with RGEC are current.

If you have questions about your RGEC Capital Credit allocations, or just want to update your contact information, call your local Area office Customer Service Representatives, or the Co-op's Consumer Accounting Department at 1-800-749-1509.

Location, Location, Location!



Wondering where to place that new room air conditioner? Install it in a window that is shaded from direct sunlight.

A unit operating in the shade uses as much as 10% less electricity than the same one operating in the sun.

Nominating Committees Announced

Democratic control is one of the things that makes cooperatives special. Choosing director nominees is an important part of the process. Nominations are made by director-appointed Nominating Committees prior to May of each year. The committees are comprised of a minimum of three residents (non-directors) of the district to be represented. Committee members nominate candidates, who must sign affidavits of eligibility. Each candidate's affidavit of eligibility is reviewed for compliance with the bylaws.

Another way a candidate may be chosen is for fifteen or more members to nominate a candidate by petition. This must be filed at the Cooperative's headquarters in Brackettville, Texas, by the end of August.

2008 NOMINATING COMMITTEES

Director District 5

1. Billy Foster, Chairman
2. Jimmy L. Fritz
3. Jack R. Skiles

Director District 8

1. George Riggs, Chairman
2. D A Harral
3. Georgia Stone King

Director District 6

1. Jerry Andrews, Chairman
2. Pat Garner
3. Marty Acton

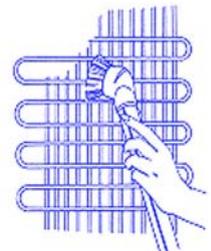
Director District 9

1. Dorothy Lewis, Chairman
2. Mike Folmer
3. Richard Newton

Appliance Tips: Lower Your Energy Bill

Is your refrigerator near the stove, dishwasher or heat vents? Move it, if you can; you'll save money and energy. Never place refrigerators or freezers on porches and other outdoor spaces.

Vacuum refrigerator coils four times a year. Dirt and pet hair build up and that makes your refrigerator work harder to keep your food cool. Remember that old test...If you easily can pull a dollar bill from the refrigerator door, change the door gasket. You are losing cold air.



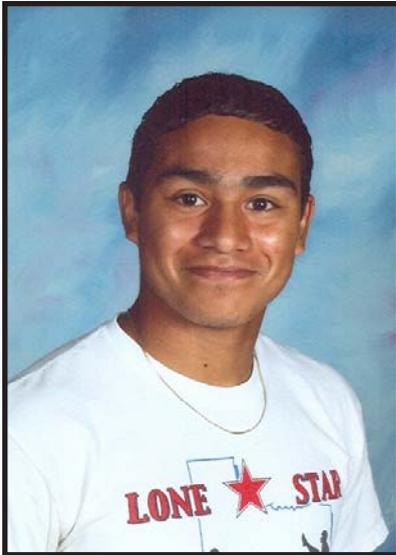
Use the energy saver option on your dishwasher and clean the filter after each washing.

Wash clothing in cold water whenever possible. And, since a clothes dryer is one of the home's biggest users of energy, how about letting Mother Nature blow your clothing dry? When you do use your electric dryer, clean the dryer filter after each use.

When replacing appliances, consider ENERGY STAR® labeled products for your greatest savings. They use less energy than other products, save energy, money and our environment.

RGEC Announces Essay Contest Winners

Jacob Schroeder and Meghann Davis, both of Brackett High School, were selected as winners in the 2008 Essay Contest. Their essays outscored those of five other students representing Del Rio High School, Fort Stockton High School, Comstock High School, Dell City High School, and Indian Creek School (Homeschool). Essays were assigned numbers, and the judging was conducted by the RGEC Board of Directors without knowing the name or geographic region in which the author resides. Both Jacob and Meghann received a new Dell Wi-Fi Laptop computer system and printer for their winning efforts.



The Cooperative Advantage

By Jacob Schroeder,
11th grade, Brackett High
School, Brackettville, Texas

A cooperative business is one that is owned by its members democratically controlled and is determined to meet the economic, social, and cultural needs of the people that surround it. The term “cooperative business” is exceedingly broad and unspecific. The cooperative business model can be applied to any business activity and it exists in a

wide variety of economic sectors, such as: fisheries, consumer and financial services, housing and production, health and social care, transportation, and utilities. Cooperative businesses are respected and greatly admired because they are built on a foundation of seven core principles that reflect the best interests of the consumers they serve. The seven guiding principles of a cooperative business consist of:

- Voluntary and Open membership
- Democratic Member Control
- Members’ Economic Participation
- Autonomy and Independence
- Education, Training, and Information
- Cooperation Among Cooperatives
- Concern for Community

Many people in the world define cooperative businesses in terms of three basic interests: ownership, control, and benefit. These interests are designed to focus on the owners as users instead of pure investors. The cooperative enterprise is the **ONLY** enterprise that ensures that all three basic interests are placed in the hands of the consumer. Unlike many other businesses that cover the globe, cooperative businesses exist solely to meet the needs of their members. Cooperative businesses place the people and the interests of communities at the heart of their business rather than a strict motivation for profit. Since cooperative businesses are owned and democratically controlled by their members the decisions they make are capable of sufficiently managing between the needs of the members and their communities and the need for profitability.

A cooperative business operates most effectively when there are people who have a strong common interest, have a desire to

maintain a broad base of control, and are willing to place the benefits of owning and controlling the business over thoughts of purely receiving company profits and increasing share values. The greatest priority of a cooperative business is to make sure that consumers are pleased with the way they conduct business.

Throughout the world, millions upon millions of people have chosen the cooperative business model as the solution to obtaining their personal and community goals and this is why. Not only do cooperative businesses place them (the consumers) at the heart of their business, but in addition to that they are able to create and maintain employment providing income, as well as produce and supply affordable food and unsurpassable services to their members and the communities in which they serve. Cooperative businesses even pay taxes on income kept within the cooperative and return surplus revenues from the cooperative to individual members who pay taxes on the income. Unlike most business structures that transfer benefits to their members according to their percentage of ownership, cooperative businesses transfer benefits to members according to their percentage of ownership, cooperative businesses transfer benefits to members according to their patronage.

Cooperative businesses are extremely socially conscious of their members and do simply anything and everything they can to provide their members with the necessities they require, whether it be in literacy, technical training, or even to help with such atrocities such as worldwide pandemics and disasters. Many countries throughout the world perceive the cooperative business model as an astounding and marvelous social and economic actor because of the variety of services it offers and because it adequately equips them with personal development and contributes heavily to the well being of entire populations. Another goal that cooperatives strive to maintain is staying competitive with other businesses.

The Cooperative business model is a work of pure genius. In the United States alone cooperatives serve approximately 120 million people. Worldwide, roughly 750,000 cooperatives serve 730 million members. Over the years cooperative businesses have maintained a reputation of being exceedingly “people oriented” and successful with the way they conduct their business. As life continues to move forward so will the cooperative business model, constantly striving to serve its members in any way possible.



WINNER PROFILE:

Jacob is the kicker for the Brackett Tigers Football Team, and a member of National Honor Society, Math Club, and History Club. He enjoys building new things, drawing, researching historical events and spends his summers volunteering at the public and school libraries.



The Cooperative Advantage

By Meghann Davis, 12th grade, Brackett High School, Brackettville, Texas

“Owned By Those We Serve.” This is the motto that Rio Grande Electric Cooperative abides by every single day and the reason it has been a successful organization since it began in 1945. It serves 5,037 members in 18 different counties, with the majority being rural customers. Why does it flourish? Because it offers superior service at a

lower cost; in addition, its customers are members as well and are able to voice their opinions and suggestions within the coop and actually be heard and valued. A cooperative is loyal to its members and the community in which they live and continually finds ways to better serve them. For example, many rural coop customers are unable to receive high-speed internet because of their distance from phone line access for large internet providers. RGEC, in an effort to add another convenience at a reasonable price for its customers, now offers Wild Blue, a faster satellite internet service, with an easy payment plan and local servicing. The Coop is in the process of updating data retrieval for all rural electric meters with “turtles” that eliminate one more task from the customer to provide timely meter readings each month. RGEC and its employees support the local schools and communities with opportunities for students to win computer systems, participate in parades and fundraisers, host blood drives, and provide safety programs about electricity to children. The administration and employees of RGEC look through the eyes of their customers and their community to search for opportunities to provide excellent customer service and support to their “member-owners”.

The foundation for such excellence is the cooperative business model, a compilation of seven key principles to which all cooperatives adhere. Cooperatives have voluntary and open membership. Individuals who accept membership responsibilities can be involved in a cooperative and use their services without any type of discrimination. Cooperatives are organized in a democratic manner and controlled by their members. Members actively participate in making policies and decisions, as well as electing representatives who are accountable to their views and goals. Members contribute to the common property of the cooperative on an equitable basis. While they usually receive limited or no compensation on any capital invested as a provision of their membership, they do assign surpluses to the coop for many reasons, including expansion and supporting various activities approved by the membership.

Moreover, a cooperative is self-governed. All business activity and agreements with other entities or organizations are executed in a manner that ensures democratic control by their members and also

allows them to maintain self-direction. Cooperatives also provide education, training and information for their members, employees, managers and directors so that they are able to effectively contribute to the progress of their organization. In order to most effectively serve their members and strengthen their association, cooperatives work in conjunction with each other at all levels. The final principle of cooperatives which is of utmost importance is concern for the community. Cooperatives consider member needs and work to maintain, advance and improve their communities through policies established by their members.

It is by these high values that cooperative business functions and thrives. Without the cooperation of its membership to bind it together, the dedication of its employees to make it run smoothly, and positive contributions from members to make it better, a coop could not be the favored business model. It is these qualities that set a coop apart from the rest of the corporate world and enable rural residents to enjoy and live their chosen lifestyle without lacking modern services. In a world that is being overwhelmed with conglomerates and huge corporations, cooperatives excel as businesses committed to service and the values that give them “the cooperative advantage”.



WINNER PROFILE:

Meghann just graduated from Brackett High School and will be attending Texas A&M University in College Station, Texas. She plans to become a pharmacist, and volunteers her time at the local health clinic pharmacy. She enjoys playing basketball, golf, reading, and art.



Two-way satellite internet service. No phone lines!

Monthly Service Plans	Download/Upload Speeds Up To:
Value Pak \$49.95 (+tax)	512 Kbps/128 Kbps
Select Pak \$69.95 (+tax)	1.0 Mbps/200 Kbps
Pro Pak \$79.95 (+tax)	1.5 Mbps/256 Kbps

Equipment Cost \$250 (+ tax) Standard installation included. Non-standard installation may be subject to additional fees. **ISP services included.** All email services and 24/7 technical support, so you won't have to pay another provider! **2 Year Contract Required.**

CALL 1-800-749-1509

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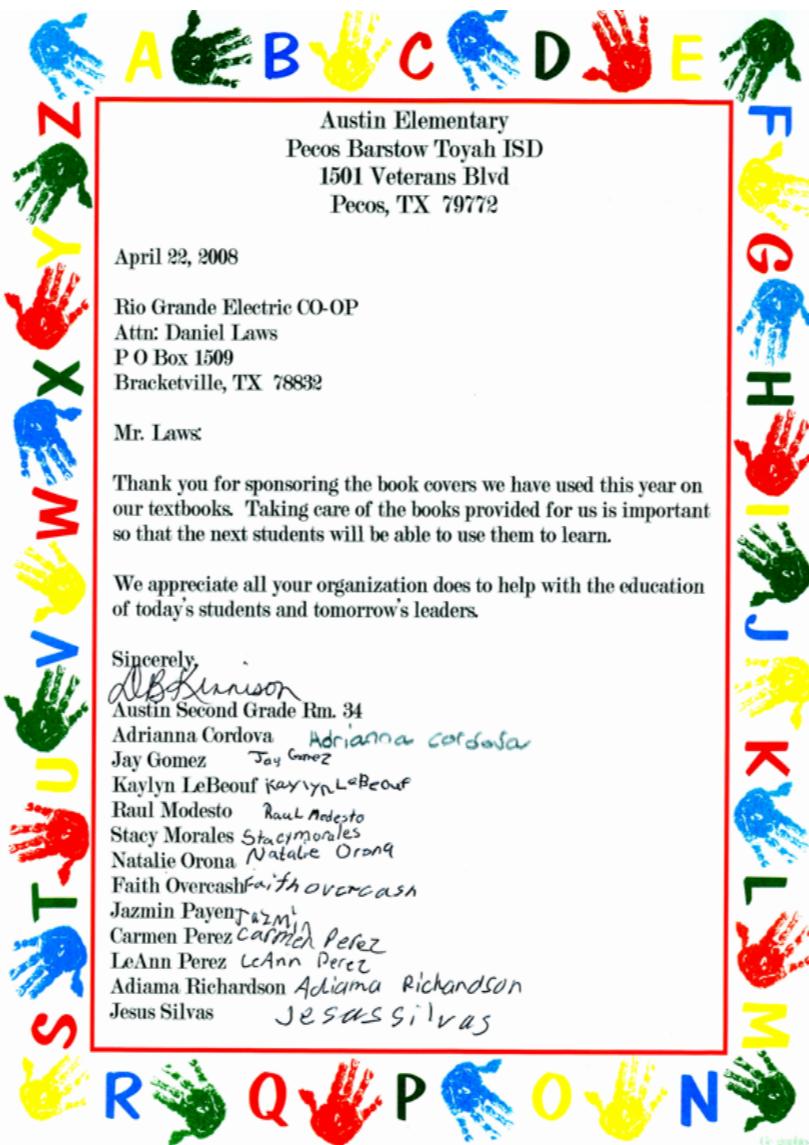
Poster Contest Winners Announced

Winners in the 2008 National Electrical Safety Month Poster Contest are Andrew Whittle, 1st-3rd grade division, and Alyssa Moreno, 4th-6th grade division, both of Comstock Elementary in Comstock, Texas. Each winner received a \$50 Wal-Mart Gift Card, and will have their winning design incorporated into the approximately 20,000 book covers RGEC supplies to schools.

The winning posters were selected by the board of directors at the June board meeting. This is the fifth consecutive year that at least one winning entry was submitted by a student from Comstock!

RGEC congratulates students from each school district that participated in the contest. Learning how to stay safe around electricity makes everyone a winner!

Book Cover Thank You Letter: The following is just one of the many letters the Co-op receives each year from schools throughout the eighteen Texas and two New Mexico counties in which we provide book covers. In addition to protecting text books, the book covers carry the important message of electrical safety to students, teachers, and parents throughout the region.



Member Advisory Committee Members

Bracketville Area Committee Chairmen: Ann & Warren Beitel, Del Rio; Members: Bracketville: Rev. William and Judith Adams, Elsa O'Rourke, Tony and Nancy Frerich, Shirley Hadsell, Tobie Ward, Lydia and Henry Flowers, and Joe and Elaine Strow; Del Rio: Pat and Jimmy Fritz, Jean Campbell, and Sandra Fuentes; Uvalde: George and Dorothy McCarley

Carrizo Springs Area Chairman: Dr. David Nelson, Carrizo Springs; Members: Carrizo Springs: Manuel White, Jay Meyers, Scotty Waggoner, Katy and Ed Walker, and Dudley Clanahan; Crystal City: Steven Garza, and Mike Kirk; Eagle Pass: Herman Payne (Mi Tierra Enterprises); Austin: William Taylor

Alpine Area Chairman: Anne Calaway, Alpine; Members: Alpine: Betty Tanksley, Dr. Paul and Beverly Weyerts, and Diana Wysocki; Big Bend National Park: Shirley Coleman, and Bill Wellman; Marathon: Edward Holland (Forker Gage Ranch), and Ike Roberts; Terlingua: Ring Huggins; Marfa: Frederick Tate

Fort Stockton Area Chairmen: Jim and Sandi Tinkler, Fort Stockton; Members: Fort Stockton: Bill Honaker, Jay Garvin, and Thomas Kincaid; Alpine: Mark Hursh; Sanderson: James Stone; Sheffield: Rowdy Holmsley

Dell City Area Chairman: Dorothy Lewis, Dell City; Members: Dell City: Glynda Sanders, Joy Dean, Robert Jones, and Harvey Layton; Salt Flat: Therran Gentry, Antonio Armijo, Susan and Thomas Gatzke, and Michael Mazock, Sr.; Carlsbad, NM: George Ranch, and Danny Colwell

While it is true that RGEN is a not-for-profit organization, that doesn't mean we don't pay taxes just like you. In fact, we pay much more than most individuals, but we really don't mind doing our part.

These taxes help support schools, hospitals, groundwater districts, and local governmental agencies, which in turn help you -- our members.

The following is the distribution of taxes paid for 2007, which totaled \$212,198.22.



Brewster County	4,633.82				
Alpine ISD	6,304.51				
Big Bend Regional Hosp	1,946.48				
City of Alpine	625.35				
Marathon ISD	2,429.54	Hudspeth County	8,583.95	Presidio County	2,254.87
San Vicente ISD	2,429.54	City of Dell City	2,142.40	Hospital	451.67
Terlingua CSD	5,264.79	Dell City ISD	7,696.22	Presidio ISD	1,412.15
Total	23,634.03	HCU Water Cons Dist	1,972.21	Marfa ISD	3,576.37
		Fort Hancock ISD	3,605.25	Total	7,695.06
Crockett County	673.62	Sierra Blanca ISD	1,608.15		
Crockett Co ISD	1,967.06	Total	25,608.18	Reeves County	124.87
FM & LR	205.59			Hospital	106.43
Water District	18.61	Jeff Davis County	1,289.94	Pecos Barstow ISD	407.74
Total	2,864.88	Valentine ISD	484.60	Balmorhea ISD I&S	5.52
		Fort Davis ISD	1,832.74	Balmorhea ISD M&O	80.91
Culberson County	3,471.63	Total	3,607.28	Total	725.47
Hospital	2,809.75				
C C Groundwater	217.30	Kinney County	13,000.56	Terrell County	950.58
FM & FC	251.99	Kinney Co. Groundwater	1,156.98	Terrell County ISD	3,950.26
CCA CISD I&S	263.86	Brackett ISD	18,957.52	Total	4,900.84
CCA CISD M&O	5,752.29	Farm to Market	641.04		
Total	12,766.82	Fort Clark MUD	64.98	Uvalde County	1,216.67
		Total	33,821.08	Uvalde CISD	3,334.57
Dimmit County	5,586.04			Uvalde Co UNDGR Water	48.13
Wintergarden Groundwater	256.24	Maverick County	1,712.33	SWTJC	302.58
Carrizo Springs CISD	10,565.67	Hospital	464.05	Uvalde Co Road/FLD	350.46
Total	16,407.95	Eagle Pass ISD	5,744.37	Total	5,252.41
		Total	7,920.75		
Eddy County (NM)	246.84			Val Verde County	5,856.31
State	38.57	Otero County (NM)		Comstock ISD	8,020.37
School	183.36	NR-STATE DEBT	143.40	FM Farm Road	235.31
College	31.59	N-CNTY OPER	1,391.68	Hospital	1,754.29
Total	500.36	NR-CNTY DEBT	119.55	SD SFDR CISD	7,630.48
		N-SCH OPER	58.38	Total	23,496.76
Edwards County	468.77	NR-SCH DEBT	720.75		
Water District	26.33	NR-SCH CAP	234.88	Webb County	236.18
Lateral Road	115.87	N-NMSU-A	114.59	Road & Bridge	5.81
Rocksprings ISD	934.35	NR-NMSU DEBT	34.38	United ISD	703.69
Nueces Canyon CISD	637.32	NR-SCH TECH DEBT	0.00	Total	945.68
Total	2,182.64	Total	2,817.61		
				Zavala County	2,440.18
El Paso County	2,008.13	Pecos County	5,317.57	Crystal City ISD	3,392.06
City of El Paso	2,535.75	Iraan-Sheffield ISD	201.35	SWTJC	372.70
College	624.10	Middle Water Dist.	77.95	Wintergarden GRW	101.65
El Paso ISD	5,970.82	Fort Stockton ISD	9,715.70	La Pryor ISD	1,293.03
Hospital	960.30	Irran Hospital	47.84	Total	7,599.62
Emerg. Services Dist #2	161.61	City of Fort Stockton	930.02		
Clint ISD	818.12	Buena Vista ISD	81.54	Total 2007 Property Taxes Paid \$212,198.22	
Total	13,078.83	Total	16,371.97		



BOARD ACTION

RIO GRANDE ELECTRIC COOPERATIVE, INC. Summary of Board Meeting Minutes May 21, 2008

A Meeting of Rio Grande Electric Cooperative, Inc.'s Board of Directors was called to order at the area office in Fort Stockton, Pecos County, Texas at 8:00 a.m. on May 21, 2008. The following Directors were present for the meeting: Frank Archuleta, Jimmy Ballew, Hugh Childress, Mark Daugherty, Art Gonzalez, Stephen Haynes, Larry Jones, Henry Mills, Margarita Nelson, Bill White, Cindy Whitehead and Lowell Woodward. Also present for the meeting were General Manager/CEO Daniel G. Laws and Executive Assistant to the GM/CEO Theresa Quiroz.

Approved	April 16, 2008 Minutes, as Corrected
Heard	Financial Reports
Approved	Risk Insurance Proposal for June 1, 2008 through May 31, 2009
Approved	Selection of the Nominating Committees for Director Districts 5, 6, 8, and 9
Approved	Use of Existing Affidavit of Eligibility Form
Approved	Resolution Authorizing the Audit Firm of Eide Bailly, L.L.P. to Conduct Election.
Selected	Two (2) Essay Winners; Jacob Schroeder and Meghann Davis, both of Brackettville
Heard	Update on Existing Supply Contracts and Future Supply Issues
Selected	Electrical Safety Poster Contest Winners; Andy Whittle and Alyssa Moreno, both of Comstock
Heard	General Manager/CEO Report
Heard	Committee Reports
Approved	General Manager/CEO & Director Expenses
Approved	March 2008 New/Revoked Memberships
Reviewed	Check Register and Arrears Report
Adjourned	2:38 p.m.

Note: The summary above is provided so that members can follow the activities of the board, and is not intended to be exhaustive. Should you wish to know more details on a particular item or items, please contact the director for your district or the General Manager/CEO's office.

Independence Day

“It is the soldier, not the reporter, who has given us the freedom of the press. It is the soldier, not the poet, who has given us freedom of speech. It is the soldier, not the campus organizer, who gives us the freedom to demonstrate. It is the soldier who salutes the flag, who serves beneath the flag and whose coffin is draped by the flag, who allows the protesters to burn the flag.”

-- Father Denis O'Brien, a Marine veteran

Rio Grande Electric Cooperative Salutes the Brave Men and Women of Our Armed Forces.

BOARD OF DIRECTORS



*Art Gonzalez, President	District 9
P.O. Box 306	
Dell City, TX 79837	915-964-2814 (H)
*Lowell Woodward, Vice-Pres.	District 8
P.O. Box 1327	
Alpine, TX 79830-3320	432-837-7308 (H)
*Jimmy Ballew, Treasurer	District 3
P.O. Box 559	
Brackettville, TX 78832	830-563-2869 (H)
*Margarita Nelson, Secretary	District 1
HC2 Box 53	
Carrizo Springs, TX 78831	830-876-3223 (H)
*Frank Archuleta	District 9
P.O. Box 221	915-964-2464 (H)
Dell City, TX 79737	
*Hugh Childress	District 6
P.O. Box 943	
Ozona, TX 76943	325-392-3848 (H)
*Mark Daugherty	District 7
P.O. Box 744	
Alpine, TX 79831	432-345-2604 (H)
*Stephen Haynes	District 4
P.O. Box 1088	
Rocksprings, TX 78880	830-395-2283 (H)
*Larry W. Jones	District 2
8587 Fm 2691	
Carrizo Springs, TX 78834	830-374-9774 (H)
Kimball Miller	District 7
P.O. Box 2153	
Fort Davis, TX 79734	432-249-0449 (H)
*Henry Mills, III	District 5
406 Canyon Creek Drive	
Del Rio, TX 78840	830-775-5629 (H)
*William White	District 4A
HCR 3, 253 Packsaddle Circle	
Del Rio, TX 78840	830-775-5053 (H)
*Cindy Whitehead	District 3A
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Brackettville, TX 78832	830-563-9751 (H)
Dan Laws, General Manager/CEO	
P.O. Box 240	
Brackettville, TX 78832	830-563-2444 (W)
830-563-9717 (H)	

* Certified Credentialed Director