RIO GRANDE ELECTRIC COOPERATIVE, INC.

75TH ANNUAL MEETING

SATURDAY, OCTOBER 10, 2020 10:00AM

Virtual emPOWERSummit 2020

PRE-REGISTER @
WWW.RIOGRANDE.COOP/EMPOWER

PRE-REGISTRATION:
BEGINNS OCT. 5 @ 8 A.M.

NOW VIRTUAL!
The COVID-19 pandemic has forced Cooperatives all around the state of Texas to find new ways of conducting business and Rio Grande Electric Cooperative is up to the challenge. The Co-op has had to embrace today’s modern technology to continue our mission of serving. A prime example is the upcoming launch of the Co-op’s first-ever virtual annual meeting. Members are invited to pre-register for the live-event taking place on Saturday, October 10, 2020, at 10 a.m. Although we prefer to meet in person, our focus remains on the safety and health of Rio Grande Electric, its members and employees. Annual meeting is always a special time for employees and members to come together to celebrate the successes of the Cooperative. We will definitely miss seeing everyone in person, but as you will see in the next few pages, we still have plans to conduct some business, celebrate and award prizes to entice your participation. The director election is another significant detail of the annual meeting. Your official ballots are scheduled to mail September 8, 2020, along with an email link to the electronic ballot. Make sure to return them to Survey and Ballot Systems by 10 A.M. October 7, in order for your vote to count. All efforts to move from in-person to virtual participation are to allow Co-op members, from across the largest service territory in the contiguous United States, to connect safely with Rio Grande’s leaders for updates on the state of the Co-op.

While on the topic of safety, the extreme heat wave Co-op Country experienced in August set new records for high temperatures and for high power usage. Of course, there’s never a good time for power outages, but it seemed that our outages happened just at the worst possible times. The Fort Stockton and Desert Haven areas seemed to be the hardest hit.

In the Fort Stockton Operations Area, a few major outages occurred recently at the Pat Lee Substation, causing the entire area served by this substation to be affected. These outages involved replacing blown fuses and critical metering equipment. As luck, or the lack thereof, would have it, responding crews were at the opposite end of the operations service area at the time the outage occurred. When events like this take place, RGEC has to coordinate with transmission providers and operators to receive clearance in order to conduct repairs, and then again to re-energize. Nonetheless, Rio Grande Electric is extremely grateful for the understanding and flexibility of the membership during these challenging times and we look forward to hosting a commemorative annual meeting that delivers convenience and so much more in celebration of 75 years of cooperation!
Credit Card Payment Policy

In order to protect the security of your personal and credit card information, Rio Grande Electric Co-op will no longer accept credit card payments by phone, except through the Secure Pay System (888-259-9084). SmartHub is another convenient way you can utilize your credit card for payments. Set up a manual or recurring automatic payment using your credit card, or bank draft. Just click on “SmartHub Access” on the homepage at www.riogrande.coop. These options are available to serve you 24/7. Consumer protections were enacted to safeguard against the possible misuse or theft of your information, and RGEC takes this responsibility very seriously.

In-person credit card transactions can be processed by Customer Service Representatives at RGEC area offices located in Alpine, Brackettville, Dell City, Carrizo Springs, and Fort Stockton. This will soon be possible through the El Paso office, as well.

Payments for non-electric items are not eligible to be charged to credit cards, nor are Contributions in Aid of Construction (CIAC) amounts over $3,000, at this time.

For additional information, please contact your local RGEC area office.

The Co-op’s compliance with the Payment Card Industry Data Security Standard is current, and reviewed every two years.

Member Advisory Committees Meet

September is a busy month for Member Advisory Committees, with each holding a virtual meeting to discuss the latest concerns, and the upcoming annual meeting. One of the primary functions of the Member Advisory Committees is to encourage Annual Meeting attendance.

Brackettville members include: Warren & Ann Beitel - Chairmen; Amelia Wysocki; John & Linda Sharlow; Frank & Karen Orsak; Melinda Crain; Pat Fritz; Richard & Beth Ann Smith; Howard & Suzon Wakefield, Jr.; W. J. & Kathleen Vaughan; Ray & Gayla Miller; Frances & David Goodson; Larry & Donieta O’Keeffe; and Robert Richards.

The Carrizo Springs committee consists of: Geoffrey (Todo) Myane Jr. - Chairman; James M. Hearne; Jordan Shipley, designated representative of Maverick Holdings, LLC; Fernando Villegas; Juan & Rosa Rubalcava; Carl Fisher; Silvestre & Sarah Cavasos; Jeffrey Grissom; and William T. and Amylou Hughes.

Representing members in the Alpine area are: Raymond Quigg - Chairman; Sarah Bourbon; Chris & Carla Spencer; Anna Marie Posey; Mark Daughtry; Thomas F. Roberts; Paul & Voni Glaves; and M. R. Gonzalez, of El Rancho Chaa.

Fort Stockton’s committee representatives are: Dennis & Sandra Braden - Chairmen; James & Judith Massie; Gerald Porter; Paul Goliher; Jay & Teresa Garvin; Armando Mandujano designated representative of Mandujano Brothers; Joe Bob Hayter; Bryon Garrison; Glenn & Arna McCorkle; Jesus Ruiz; and Lane Porter.

Representing Dell City area members are: Johny R. Sheets - Chairman; Robert E. & Pat Jones; James A. Ellett; Richard H. Newton; Grant Spence; and Randy & Susan Barker.

If you have a concern you would like to voice, you may reach committee members at the contact numbers listed on the “Advisory Committee” drop down menu on the “Cooperative” menu tab at www.riogrande.coop.
For years, RGEC has planned to do something extraordinary for the 75th Annual Meeting. Then came the year 2020, Never in our wildest dreams did we imagine the host of challenges 2020 would present!

What we have come up with, is a way to still celebrate this monumentous occasion in a fun and interactive way, while managing to protect the health and safety of members and employees. It is only fitting that in keeping with our innovative and exciting annual meetings, this year’s meeting will be virtual.

Don’t let the term “virtual” make you wary, if you’re not a technological guru. It will be a very simple process, and you’ll still get all the information and prizes you’ve come to expect from the Co-op’s annual meetings! Step-by-step login instructions and screen shots can be found on the following 2 pages.

You’ll be eligible for prizes by pre-registering, at www.riogrande.coop/empower. Pre-registration opens at 8:00 a.m. (Central) Monday, October 5, and runs through 9:00 a.m. (Central), Saturday, October 10, which is 1 hour prior to the meeting.

As an added incentive, the first 75 members who register will be awarded a $75 RGEC Credit On Account. One hundred (100) $150 RGEC Credit On Account prizes will be awarded during the meeting.

If you thought one Grand Prize was great, then you’re going to love the fact that your odds of winning a vehicle doubled! That’s right, we’re awarding two (2) Grand Prize vehicles! These are retired workhorses of the Co-op’s fleet, but both have lots of miles left in them.

There will be reports from directors, the CEO and COO, and a live Question and Answer session -- just like at a “regular” annual meeting. In fact, you may even like the virtual annual meeting better, because there is no long drive!

This is to notify you that, in accordance with ARTICLE III, SECTION 1 of the RGEC Bylaws, as amended, and through video conferencing, pursuant to RGEC Bylaws Article V, Section 4, the Board President having determined that emergency circumstances exist as provided by the Proclamation Declaration of August 8, 2020, by the Governor of the State of Texas Greg Abbott renewing the disaster proclamation of March 13, 2020, extending his Disaster Declaration for all Texas counties, thereby permitting telephonic or electronic attendance at a regular meeting, the Annual Membership Meeting of Rio Grande Electric Cooperative, Inc., will be held virtually at www.riogrande.coop/empower at 10:00 a.m. (CDT), Saturday, October 10, 2020, for reports and transaction of other Cooperative business that may properly be presented by the membership.

In accordance with RGEC Bylaws, the following candidates have been selected from which four (4) directors are to be selected to fill vacancies created by the expiration of specified terms of office, retirement, or other, as indicated:

**Director District 5**
William “Billy” Foster (Incumbent)

**Director District 6**
Rowdy Holmsley (Incumbent)

**Director District 8**
Bryon Garrison

**Director District 9**
Johny Sheets

Voting on election of directors and voting on any issue required by law or articles of incorporation to be submitted to a vote of the members, shall be by mail only and may also include, at the option of the board, an electronic method of returning a ballot or vote. The method of casting votes by mail and electronically, the formats of any ballot for election of directors or any other issue to be voted upon by the members, and the procedures for mailing ballots and returning them by mail or electronically, shall be determined by resolution of the board of directors from time to time. All results of any such election or voting upon any other issue shall be certified and announced at the annual meeting of the members or any special meeting of the members and shall be effective at that meeting, or at any adjournment of that meeting. Ballots or electronic votes must be received by October 7, 2020, in order to be counted. So exercise your right to vote!

WITNESS MY HAND, at Brackettville, Texas, this August 19, 2020

Tim Edwards, Board Secretary
HOW TO REGISTER: PART 1

STEP 1: FOLLOW THIS URL TO REGISTER FOR THE ZOOM MEETING
https://zoom.us/webinar/register/WN_6MJIXOz8RGe-wmxBkuraXQ

STEP 2: ENTER YOUR FIRST AND LAST NAME INTO THESE FIELDS

STEP 3: ENTER AND CONFIRM YOUR EMAIL ADDRESS INTO THESE FIELDS

STEP 4: ENTER YOUR ACCOUNT NUMBER (TO BE ELIGIBLE FOR PRIZE GIVEAWAYS)

STEP 5: CLICK REGISTER

RIU GRANDE ELECTRIC CO-OP, INC.
75TH ANNUAL MEETING
SATURDAY, OCTOBER 10, 2020 10:00AM
**HOW TO REGISTER: PART 2**

**STEP 6:** After registering, you will be redirected to a new page with the URL to join the Zoom meeting.

**STEP 7:** After following the URL, you will be prompted to open the Zoom application on your computer/phone.

**OR** Open the meeting directly through your browser, by clicking on the “Download and Run Zoom” and then “Join from your browser.”

When system dialog prompts, click *Open zoom.us.*

If you have Zoom Client installed, *launch meeting.* Otherwise, *download and run Zoom.*

If you cannot download or run the application, *join from your browser.*

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**ZOOM** can be accessed from a PC, MAC, or mobile phone. Need to download ZOOM? Follow these instructions: [https://zoom.us/download](https://zoom.us/download)

To watch a video on these instructions, go here: [https://bit.ly/3kv5NMz](https://bit.ly/3kv5NMz)
Director Candidates 2020

Director District 5
William “Billy” Foster, Incumbent

Director District 6
Rowdy Holmsley, Incumbent

Director District 8
Bryon Garrison

Director District 9
Johny Sheets

Look for the candidate-submitted biographies of each, including their qualifications, in the Candidate Profiles brochure, which will accompany your ballot.

Vote for one candidate in each race, regardless of where you live or own property. As a reminder, you can vote online or by paper ballot. Voting begins September 8, at 10 A.M. (CDT). Both mail and online ballots must be received at the offices of Survey and Ballot Systems, Mandan, ND, by 10:00 A.M. (CDT) October 7. Allow time for postal delivery, if using a paper ballot. DO NOT return ballots to RGEC, as this will render them null and void.

If planning to cast your ballot online, make sure you add the following address to your safe senders list: www.directvote.net.
Voting Begins 9.8.20 10 AM (CDT)

The 2020 election is for board representation in Director Districts 5, 6, 8, and 9.

Phone: 800-749-1509 (24/7)
Secure Pay System: 888-259-9084
1. Check account/make payment
2. Update your phone number
3. Create/Update your PIN
4. Update bank draft/Credit Card info.
8. Repeat Menu

Email Customer Service Representatives:
Alpine: Area3CSRs@rgec.coop
Brackettville: Area1CSRs@rgec.coop
Carrizo Springs: Area2CSRs@rgec.coop
Dell City: Area5CSRs@rgec.coop
Ft. Stockton: Area4CSRs@rgec.coop

SmartHub App & SmartHub Voice Assistant
For instructions, go to www.riogrande.coop/smarthub

Webmaster@rgec.coop
(Not for outage reporting)

Social Media
Facebook: www.facebook.com/rgec.coop
(Outages may be reported via Facebook Messenger)
Instagram - @riograndecoop
Twitter - @riograndecoop

Business Hrs.
8 a.m. - 5 p.m. (Central)
Monday–Friday
Summary of Board Meeting Minutes

July 15, 2020

A meeting of the Rio Grande Electric Cooperative, Inc. Board of Directors was held at 7:57 a.m., July 15, 2020, at the Fort Stockton Area office in Fort Stockton, Pecos County, Texas and through video conferencing pursuant to RGEC Bylaws Article 5, Section 4, the Board President having determined that emergency circumstances exist as provided by the Proclamation of July 10, 2020, by the Governor of the State of Texas Greg Abbott renewing the disaster proclamation of March 13, 2020, thereby permitting telephonic or electronic attendance at a regular meeting. The following directors were present for the meeting: Sandra Archuleta, Ellery Aufdengarten, Jamie Ballew, Warren Cude, Tim Edwards, William Foster, Rowdy Holmsley, Jan Metcalf, Margarita Nelson, Priscilla Parsons, Edward Walker, and Cody Whitehead-Burns. Also present for the meeting were Chief Executive Officer Rogelio Andrade, Chief Operating Officer Theresa Quiroz, Chief Financial Officer Shawn Stanley, and Department Specialist Brandi Riojas. Presentation attendees included RGEC Members from the Petty Group, LLP, Petty Group, LLP Attorney Ricardo Cedillo of the Law Offices of Davis, Cedillo & Mendoza, Inc., Petty Group, LLP Attorney Meghan E. Griffiths of the Law Offices of Jackson Walker, and RGEC Legal Attorney Tammy Shea of the Law Offices of Shea & Associates, PPLC.

Approved

June 17, 2020 Board Minutes, As Presented

Heard

Financial Reports

Approved

CEO Check-In Appraisal

Approved

Proposed Amendments To RGEC Bylaws, Article IV, Section 4. Nominations for Board Of Directors; Article V, Section 4. Quorum; And Article VII, Section 2. Patronage Capital in Connection with Furnishing Electric Service

Approved

2019 Capital Credit Allocation In The Amount Of $7,856,918

Approved

Special Retirement Totaling $2,100,359 Or 35% Of The Special 2019 Capital Credit Allocation To Fund A Credit Relief Plan in Response to the COVID-19 Crisis

Reviewed

2020 Director Nominees For Director Districts 5, 6, 8, And 9, As Certified By District Nominating Committees

Authorized

CEOs to Proceed With Development Of A Plan To Virtually Host The 2020 RGEC Annual Meeting

Approved

Chief Executive Officer Rogelio Andrade As Voting Delegate And Chief Operating Officer Theresa Quiroz As Alternate For The 2020 NRECA, CFC, and NCSC Membership Meetings

Heard

Member Guest Presentation

Reviewed

Safety & Health Program And Safety Trends

Heard

Executive Report

Heard

Audit Committee Report

Approved

CEO and Director Expenses

Approved

June New/Revoked Memberships

Reviewed

Check Register And Arrears Report

Adjourned

4:45 PM

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 detail on a particular item or items, please contact the director for your district or the CEO’s office.

Rio Grande Electric Cooperative, Inc. is an equal opportunity provider and employer.

Rio Grande Electric Cooperative, Inc. es un proveedor y empleador que ofrece igualdad de oportunidades.
### Highlights From Rio Grande’s Financial Statements

<table>
<thead>
<tr>
<th>Statement of Operations</th>
<th>Year End 2018</th>
<th>Year End 2019</th>
<th>Year-To-Date June 2019</th>
<th>Year-To-Date June 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Revenue (Income)</td>
<td>54.3</td>
<td>60.6</td>
<td>28.2</td>
<td>29.0</td>
</tr>
<tr>
<td>2. Cost of Purchased Power</td>
<td>25.4</td>
<td>28.6</td>
<td>13.3</td>
<td>13.8</td>
</tr>
<tr>
<td>3. Operating Expenses</td>
<td>23.1</td>
<td>24.7</td>
<td>12.3</td>
<td>11.6</td>
</tr>
<tr>
<td>4. Total Cost of Service (2+3)</td>
<td>48.5</td>
<td>53.3</td>
<td>25.6</td>
<td>25.4</td>
</tr>
<tr>
<td>5. Patronage Capital or Margins (1-4)</td>
<td>5.8</td>
<td>7.3</td>
<td>2.6</td>
<td>3.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Balance Sheet - Highlights</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Total Utility Plant</td>
<td>177.9</td>
<td>184.5</td>
<td>181.5</td>
<td>187.3</td>
</tr>
<tr>
<td>(What Members Own)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Total Cash on Hand</td>
<td>19.5</td>
<td>12.8</td>
<td>24.0</td>
<td>15.4</td>
</tr>
<tr>
<td>8. Total Long Term Debt</td>
<td>35.4</td>
<td>42.8</td>
<td>43.9</td>
<td>41.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Statistics</th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>9. Total Number of Memberships</td>
<td>6,496</td>
<td>6,573</td>
<td>6,590</td>
<td>6,750</td>
</tr>
<tr>
<td>10. Total Number of Meters Served</td>
<td>13,587</td>
<td>13,738</td>
<td>13,634</td>
<td>13,827</td>
</tr>
<tr>
<td>11. Total Miles of Line in Service</td>
<td>9,926</td>
<td>9,946</td>
<td>9,937</td>
<td>9,964</td>
</tr>
<tr>
<td>12. Total Number of Employees</td>
<td>154</td>
<td>158</td>
<td>161</td>
<td>158</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key Ratios</th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>13. Times Interest Earned Ratio (TIER)</td>
<td>4.6</td>
<td>5.1</td>
<td>4.0</td>
<td>5.4</td>
</tr>
<tr>
<td>14. Equity as a Percent of Assets</td>
<td>48.1%</td>
<td>46.3%</td>
<td>44.3%</td>
<td>47.0%</td>
</tr>
<tr>
<td>15. Cash as a Percent of Total Utility Plant</td>
<td>10.9%</td>
<td>6.9%</td>
<td>13.2%</td>
<td>8.2%</td>
</tr>
<tr>
<td>16. Debt Service Coverage Ratio (DSC)</td>
<td>3.4</td>
<td>3.8</td>
<td>3.4</td>
<td>3.8</td>
</tr>
<tr>
<td>17. Meters Per Mile</td>
<td>1.3864</td>
<td>1.3990</td>
<td>1.3897</td>
<td>1.4055</td>
</tr>
</tbody>
</table>

### Director Recognition

- **Sandra Archuleta**: 1 3-Yr. Term and 1 Yr. Of Incomplete Term
- **Warren Cude**: 2 3-Yr. Terms
- **Billy Foster**: 2 3-Yr. Terms
- **Rowdy Holmsley**: 4 3-Yr. Terms
Virtual emPOWER Summit 2020
Two Grand Prizes!

2006 Ford F150 Crew Cab

First 75 Registered Memberships Receive $75 Credit On Account

100 Prize Drawings $150 Credit On Account

2008 Ford F150 Crew Cab

To register scan QR code or go to www.riogrande.coop/empower

- PRIZE DRAWING ELIGIBILITY -

Must be registered by 9:00 A.M. (CDT), Saturday, October 10
MUST BE VIRTUALLY PRESENT TO WIN
Those registering after 9:00 A.M. will not be entered in prize drawings.

PRE-REGISTRATION BEGINS OCT. 5 @ 8:00 A.M. (CDT)