



TRINITY VALLEY ELECTRIC COOPERATIVE

2020
ANNUAL
MEMBERSHIP
MEETING

October 8, 2020

Online Virtual Meeting

TRINITY VALLEY ELECTRIC COOPERATIVE, INC.

ANNUAL MEMBERSHIP MEETING PROGRAM

October 8, 2020

Online Virtual Meeting

Business Meeting7:00 PM

Determination of a Required Quorum

Reading of Notice of Annual Meeting

General Manager/CEO Report

Audit/Financial Report

Report of Nominating Committee

Election Results

Unfinished Business

New Business

Drawing of Prizes

MESSAGE FROM THE GENERAL MANAGER/CEO

Welcome to the 2020 TVEC Annual Membership Meeting. It is truly unfortunate that, as with so many other things in 2020, we are not able to get together as we usually do. The annual meeting has been growing in attendance over the last several years, and I hope it will continue to be a meaningful gathering for our co-op family after we get through the worst of COVID-19.

This has been a challenging year. While we see the COVID-19 pandemic's global impact in the news, the effects closer to home with closed businesses, laid off workers and a lot of uncertainty in all levels of the education system is very personal to us all.

Electric service is vital to every aspect of modern life, and we take the responsibility of providing for members' power needs very seriously. In more than 30 years at TVEC I've never seen a more drastic shift in how we work than in the first nine months of this year. Thankfully, we have had decades of thoughtful leadership from our TVEC Board of Directors, giving us the insight and direction to be prepared for the challenges that 2020 has brought.

At the co-op, I have been very proud of the way the employees have taken up the challenge of 2020 with almost no impact to the great job they do serving TVEC members. It is part of our corporate culture to be active, involved and in touch with our members and our community. While the pandemic has forced us to have fewer handshakes and in-person contact, everyone on the team at TVEC has gone above and beyond to make member service a priority.

One thing that has not seemed to slow much, despite the pandemic, is the population growth within the TVEC service territory. New subdivisions in Kaufman County have added thousands of rooftops as the D/FW Metroplex moves outward, and we've seen construction booms in other areas as well. It is my hope that all this growth will help our area rebound from the effects of the virus more quickly in 2021.

In this booklet you will find important information regarding the co-op's leadership, financial performance, the cost of providing service and the principles that guide our business decision making. I hope you also get a chance to view our virtual annual meeting for additional insights, director election results and a report from our 2019 financial audit.

Sincerely,

Jeff Lane

General Manager/CEO

The 7 Cooperative Principles

Voluntary and Open Membership — Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

Democratic Member Control — Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. The elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.

Members' Economic Participation — Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

Autonomy and Independence — Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

Education, Training and Information — Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation.

Cooperation Among Cooperatives — Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

Concern for Community — While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

TRINITY VALLEY ELECTRIC COOPERATIVE, INC.

BOARD OF DIRECTORS & ATTORNEY

- Carolyn Minor, Vice-Chairwoman.....District 1
- Jerry Priest.....District 2
- Paul Weatherford.....District 3
- Jo Ann Hanstrom, Secretary.....District 4
- Ed Reeve.....District 5
- Howard Tillison, Chairman.....District 6
- David Lang.....District 7
- John Mosley.....Attorney

Mission Statement

At Trinity Valley Electric Cooperative, we are committed to our member-owners to deliver safe and reliable electric power at a competitive price, with a strong emphasis on member service, community and sound business practices.

Nominating Committee Report

In accordance with the bylaws of Trinity Valley Electric Cooperative, Inc. the nominating committee, duly appointed by the board of directors of the cooperative, met at the cooperative's Athens Office on Tuesday, July 28, 2020.

The nominating committee consisted of Bonny Draper, Dave Bigley, Chuck Cade, Jennifer Burns, Peggy Yancey, Derrick Hoelscher, Ralph Fortner, David Cadden, Jerry Kelley, Ben B. Childress.

The nominating committee submitted the following names as candidates for the board of directors.

District 1

Carolyn Minor

Ronda Jones

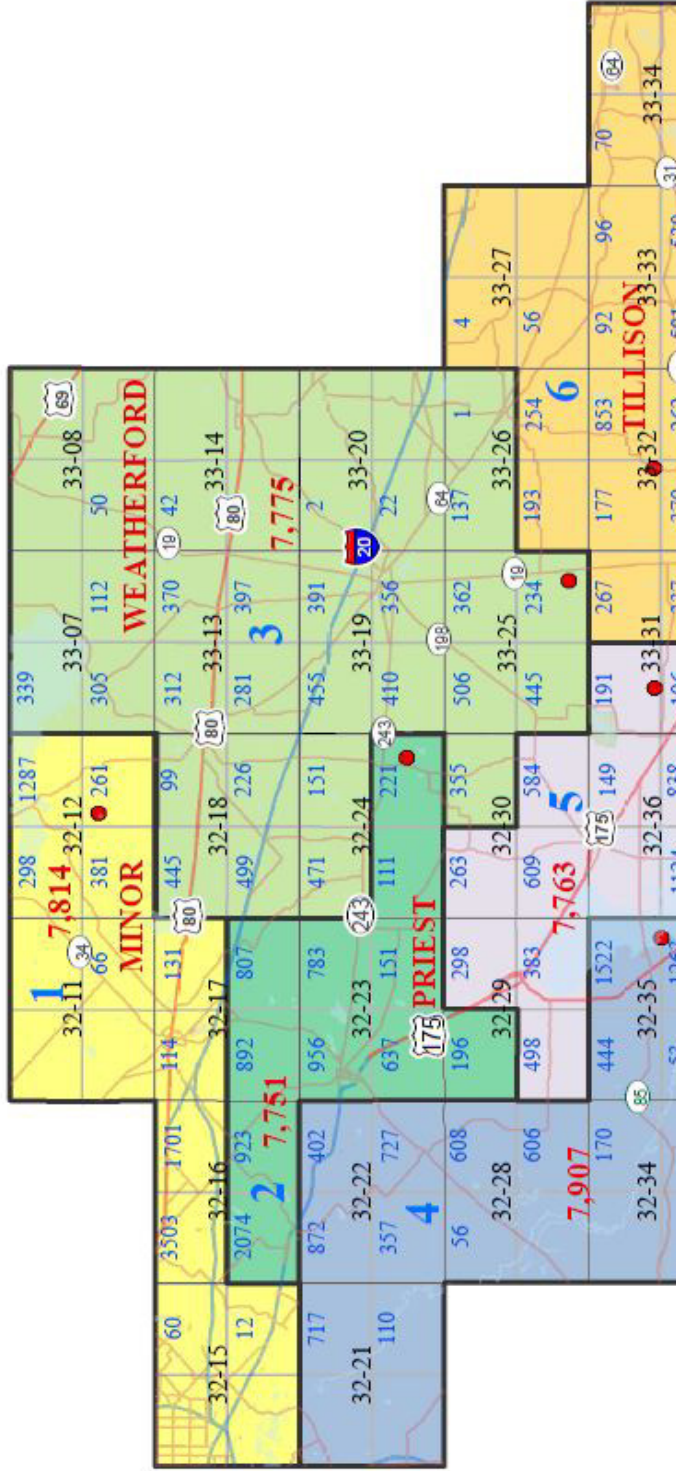
District 4

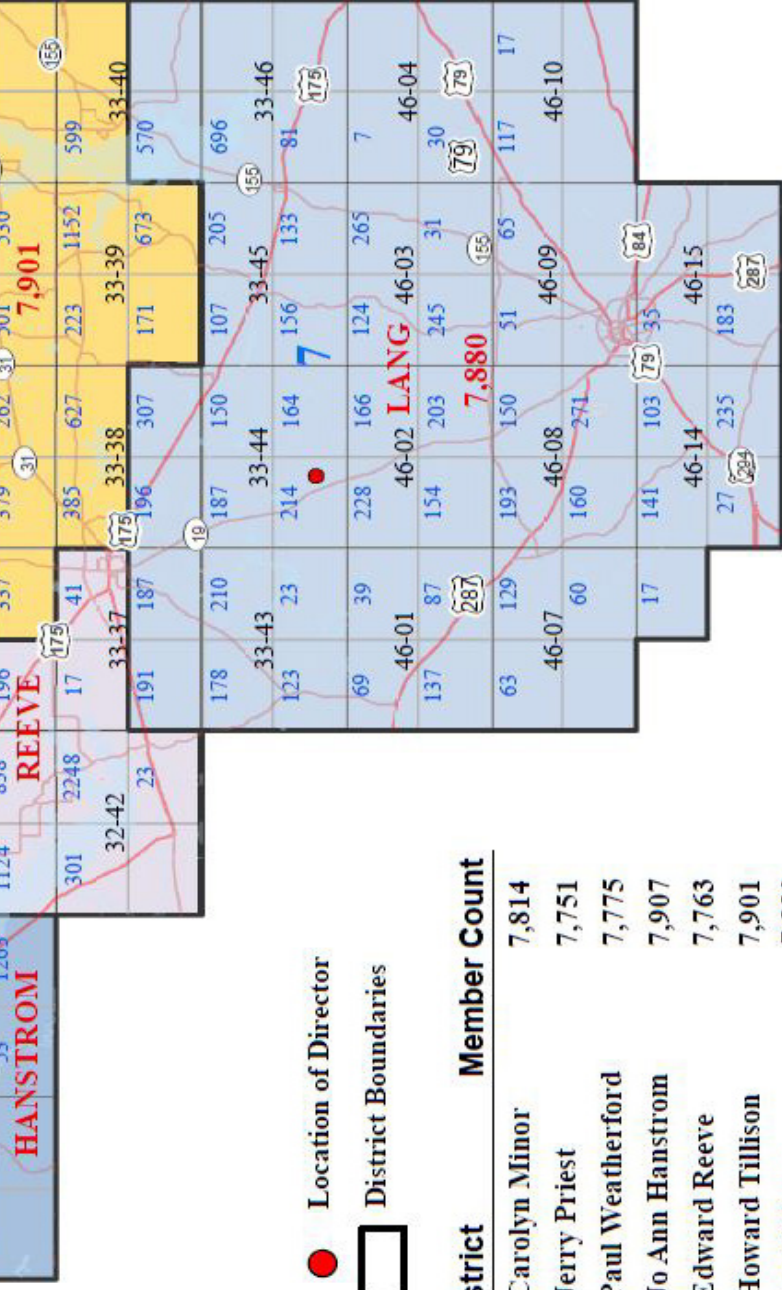
Jo Ann Hanstrom

District 5

Edward Reeve

BOARD DISTRICT MAP





● Location of Director

□ District Boundaries

District **Member Count**

- 1. Carolyn Minor 7,814
- 2. Jerry Priest 7,751
- 3. Paul Weatherford 7,775
- 4. Jo Ann Hanstrom 7,907
- 5. Edward Reeve 7,763
- 6. Howard Tillison 7,901
- 7. David Lang 7,880

Total Members 54,791

BALANCE SHEET
December 31, 2019

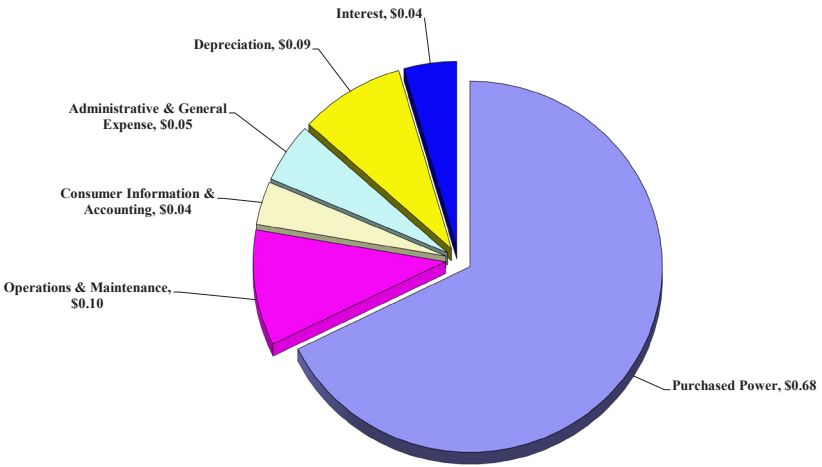
Net Utility Plant.....	\$287,902,570
Other Investments.....	50,563,907
Cash and Temporary Investments.....	4,441,579
Accounts Receivable and Accrued Utility Revenues.....	9,629,519
Materials and Supply.....	1,255,163
Other Current and Accrued Assets.....	838,230
Deferred Charges.....	1,321,056
Total Assets.....	<u>\$355,952,024</u>

Membership Fees.....	\$614,765
Patronage Capital and Other Equity.....	157,897,509
Accumulated Comprehensive Loss (FASB 158).....	3,482,309
Long-Term Debt.....	133,300,604
Accumulated Provisions for Pension Benefits.....	24,161,625
Accounts and Notes Payable.....	22,891,840
Consumer Advance Deposits.....	3,194,004
Other Current and Accrued Liabilities.....	8,566,784
Deferred Credits.....	1,842,584
Total Liabilities and Equities.....	<u>\$355,952,024</u>

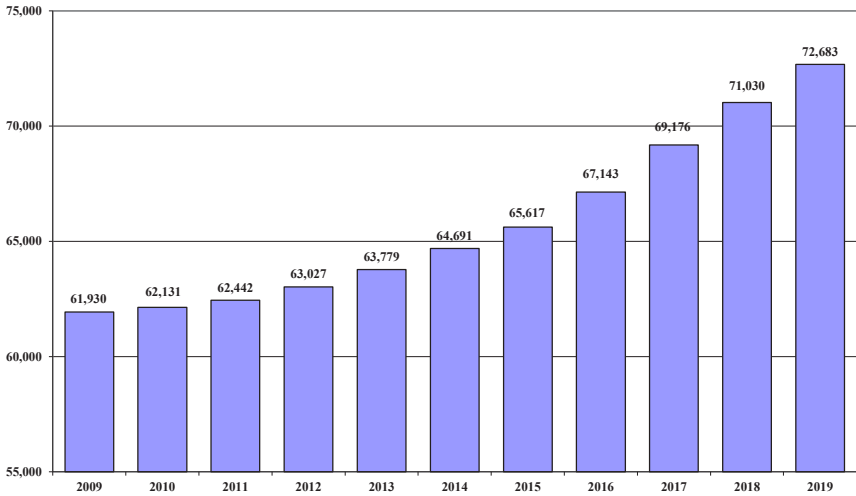
INCOME STATEMENT
For The Year Ended December 31, 2019

Sales of Electric Power and Other Operating Revenue.....	\$151,315,416
Purchased Power.....	99,231,418
Operations and Maintenance.....	14,774,047
Consumer Information and Accounting.....	5,533,877
Administration and General Expense.....	7,590,350
Depreciation.....	12,993,776
Interest.....	6,504,706
Other Deductions.....	14,458
Total Cost of Electrical Service.....	<u>\$146,642,632</u>
Operating Margins.....	\$4,672,784
Non-Operating Margins (Interest, etc.).....	169,163
Capital Credits.....	5,656,991
Net Margins.....	\$10,498,938
Other Comprehensive Income (Loss)	
Application of FASB 158.....	6,595,969
Comprehensive Income.....	<u>\$17,094,907</u>
Add Patronage Capital - Beginning of Period.....	158,617,714
Adjustment for Application of FASB 158.....	(6,595,969)
Transfer Non-Operating Margins to Other Equities.....	(169,163)
Patronage Capital Retired.....	(5,091,812)
Total Patronage Capital—End of Period.....	<u>\$163,855,677</u>

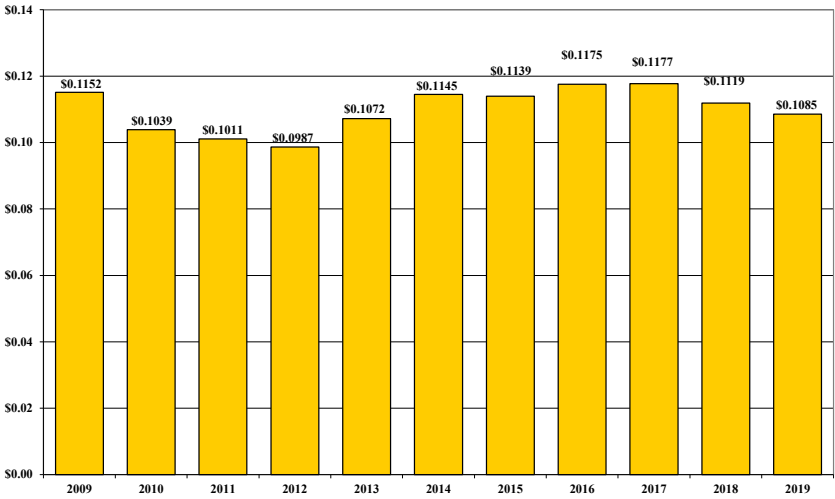
Where Your Dollar Goes



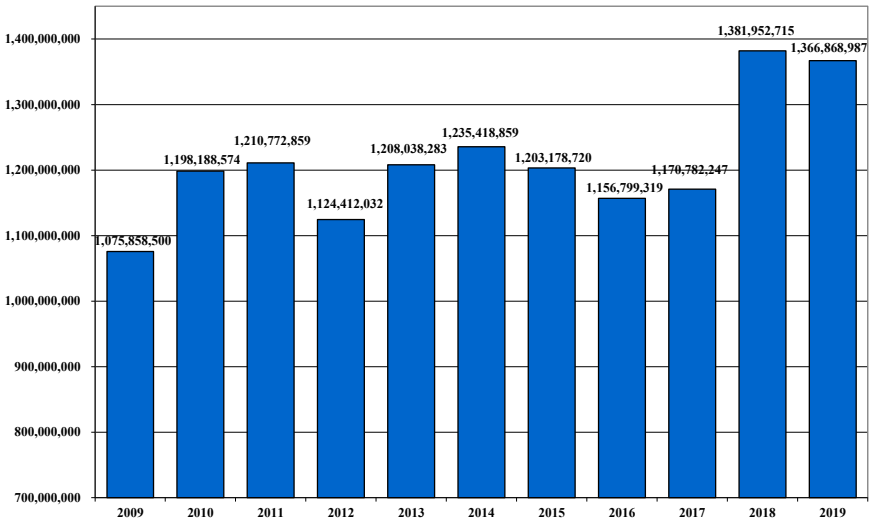
Total Meters



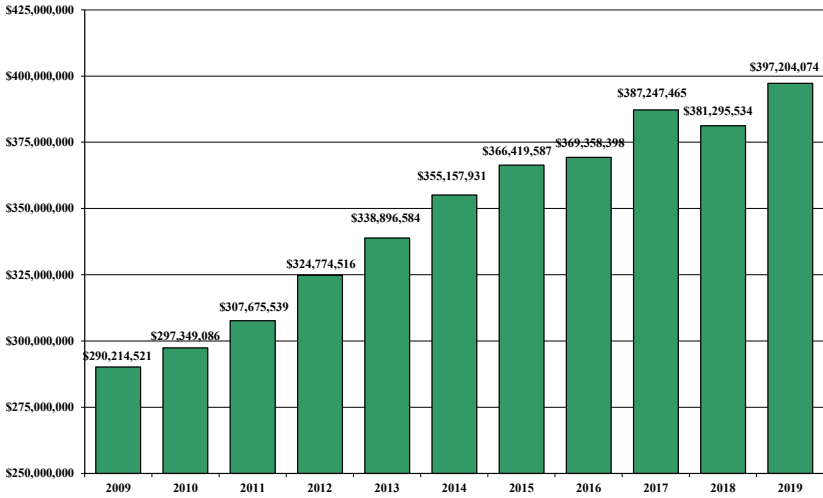
Total Cost Per kWh Sold



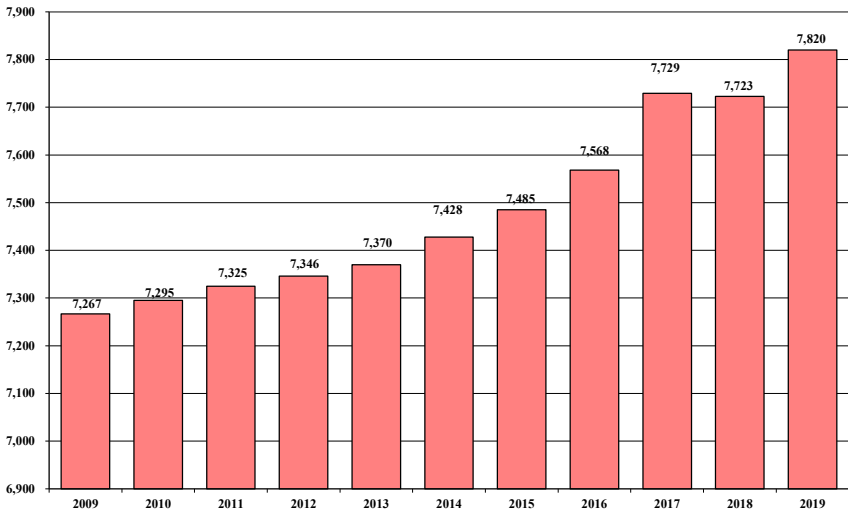
Total kWh Sales



Total Utility Plant in Dollars



Total Miles of Line



FOR YOUR INFORMATION

Trinity Valley Electric Cooperative, Inc.
Lobbies Temporarily Closed

HEADQUARTERS & KAUFMAN DISTRICT OFFICE

1800 East Highway 243, P. O. Box 888

Kaufman, Texas 75142

(972) 932-2214 or 1-800-766-9576

Member Service Fax

(972) 932-6876

Drive Through Hours: 8:15 AM to 4:45 PM

Monday - Friday

ATHENS DISTRICT OFFICE

909 W. Larkin Street (Hwy. 175W)

Athens, Texas 75751

CEDAR CREEK DISTRICT OFFICE

1012 West Main Street, Suite 102

Gun Barrel Village Shopping Center

Gun Barrel City, Texas 75156

WILLS POINT DISTRICT OFFICE

582 N. 4th Street

Wills Point, Texas 75169