THE COOPERATIVE SPIRIT

Taylor Electric Cooperative 2020 Annual Report
Last year, as we celebrated 80 years I came to realize our long-term sustainability and relevance aren’t rooted in just the services we offer our members, or the fact that we have the best employees, or even our deeply committed board of directors. Our success is a mixture of all these things combined with a certain drive and determination that has set us apart and which makes us special. I think of it as our cooperative spirit.

Throughout 2019 we used the cooperative spirit to celebrate 80 years of service, grow the membership and expand ACCESS Fiber internet. We gave back to the communities we serve and launched a new member-focused web page, Behind the Power. In order to better serve our members we have made improvements to the Abilene office which will be completed in 2020.

As we head into our 81st year, I want to thank you, the membership, for being a part of the cooperative spirit that keeps this cooperative going. It is with you, our employees, board of directors and community that we continue to power the difference.

RYAN BARTLETT

president/CEO
WHAT IS THE COOPERATIVE Spirit?

The Cooperative Spirit is the grit and tenacity that brought us through tough times like the rise and fall of the economy, the oil booms and busts and even times of extreme weather. It is the persistence in the face of legislative battles and the hardiness of our linemen who willingly venture into all types of weather. It is our employees’ desire to care for our members and the determination and foresight of our board of directors to venture into an entirely new service like fiber internet. It is our drive to push the envelope in member service and provide innovative products for our membership. It is the perseverance and humanity of our local communities supporting one another during fires that seem to pop up out of nowhere.
The operations at Taylor EC are overseen by an elected Board of Directors. The seven directors meet monthly and work hand in hand with the CEO to provide efficient service and reliability to the membership.

All directors are required to attend trainings and receive certifications for information and updates on local, state and federal energy issues. Training also ensures all directors are competent to understand and work within the national energy market.

Nominees are presented to a formal nomination committee for interview and consideration each February prior to the annual meeting.

The Taylor EC service area is divided into three service zones by county for equal representation. Each zone is represented by two directors in addition to one at-large director. Directors serve three year terms.

**Zone 1**
Cecil Davis, Board Chairman, 2007  
Leland Robinson, Vice-Chairman, 2004

**Zone 2**
David McFall, 2011  
Garland Carter, 2016

**Zone 3**
Kathryn Rainey, 2015  
Gay Simmons, 2018

**At-large**
Richard Petree, 2014
2019/2020
Board of Directors

LELAND ROBINSON (LEFT)
board vice chairman, zone 1

DAVID McFALL (RIGHT)
secretary/treasurer, zone 2

GARLAND CARTER (LEFT)
zone 2

KATHRYN RAINEY (RIGHT)
zone 3

GAY SIMMONS (LEFT)
zone 3

RICHARD PETREE (RIGHT)
at-large

CECIL DAVIS
board chairman, zone 1
Taylor Electric Cooperative has had the privilege of serving you, our members, for over 80 years. Through the years our service and reliability has consistently improved every year. Our founders' dreams are a reality today, yet, we are striving to get better and better with the service that we provide.

Our founders' vision of making our rural areas and communities the backbone of America by providing electrical service to everyone is a matter of fact today. They took chances that would be considered risky today and supported a business model that allows each of us to own part of our cooperative. It was a gamble but the results have been wonderful.

As we look to the future, there are some exciting times ahead. We will continue to look to serve our members' needs. As you know we are working on providing affordable and reliable internet for our members. This project will take several years to complete. Our goal is to have 2,000 connected by the end of 2020. Our employees are diligently working on getting this service to as many as possible.

We are in this business together. We are all part of the Taylor Electric Family. We are made to help each other. This family relationship is the strength and character of rural America. We are here to serve you.

Please do not hesitate to call the office if we may be of service to you.

CECIL DAVIS
board chairman
JD Lindsey
Working Foreman
14 Years

Bobby Martin
Fiber Designer
5 Years

OC McKeeran
Working Foreman
23 Years

Elizabeth McVey
PR & Communications Manager, 7 Years

Cary Munden
Staking Technician II
23 Years

Billy New
Service Operations Manager, 24 Years

Tyler Newberry
Journeyman Lineman
5 Years

Brandy Porter
Member Solutions Supervisor, 7 Years

Jake Prew
Apprentice Lineman II
2 Years

Matt Riggan
GIS Technician
5 Years

Nick Robillard
IT Manager
2 Years

David Robirds
Sys. Support Analyst III,
6 Years

Devery Rosenquist
Journeyman Lineman
14 Years

Bri Nightingale
Member Service Representative, 7 Years

Rodney Russell
Master Electrician - Journeyman Lineman, 14 Years

Pete Rutledge
Working Foreman
25 Years

James Sayle
Safety & Compliance Manager, 5 Years

Jyl Schoen
Human Resource Manager,
5 Years

Bubba Seymour
Groundsman
1 Year

Gary Simer
Director of Member Solutions, 2 Years

Chad Sipe
Construction & Maintenance Operations Mgr., 23 Years

Kyle Sloan
Working Foreman
14 Years

Jacob Solis
Electrician Apprentice
1 Year

Colt Staggs
Fiber Apprentice
1 Year

Rob Stephens
Working Foreman
20 Years

CJ Thomas
Sr. System Control Operator, 11 Years

David Thomas
Director of Electric Operations, 25 Years

James Turner
Working Foreman
14 Years

Donnie Tutt
Facilities Personnel
14 Years

Brett Underwood
Apprentice Lineman IV
3 Years

Manuel Villarreal
Equipment Operator
5 Years

Tsunami Walker
Sys. Support Analyst II
6 Years

Ken Wells
Dir. of Bus. Development
31 Years

Jeff Wesson
Sr. System Control Operator, 7 Years

Gerald Wilson
Facilities Personnel
6 Years

Joe Wilson
Fiber Operations Manager
22 Years

Ryan Wilson
Sys. Control Operator
1 Year

Joe Guenther
5 years
Bobby Baker
Ryan Bartlett
Trent Brazelton
Nancy Brisco
Colby Caton
Jason Gaura
Bobby Martin
Tyler Newberry
Matt Riggan
James Sayle
Jyl Schoen
Manuel Villarreal

Josh Foss
Rob Stephens

Lisa Harris
Pete Rutledge
David Thomas

20 years

25 years
We love all of our members and want to educate them on how the co-op works for each of them.”

- Lisa Harris
  accounting clerk
2019 Financial Summary
2019 FINANCIAL HIGHLIGHTS (in thousands)

**ASSETS**
- Utility Plant, net - 76%
- Investments & Cash - 21%
- Accounts Receivable - 1%
- Prepayments & Other Assets - 2%

Total Assets: $167,677

**LIABILITIES & MEMBER EQUITY**
- Long-term Debt - 51%
- Total Net Worth - 40%
- Current & Noncurrent Liabilities - 7%
- Other Deferred Credits & Fees - 2%

Total Liabilities & Member Equity: $167,677
2019 REVENUE BY RATE CLASS (in thousands)

Residential - $28,992
Small Commercial - $10,136
Large Commercial - $3,890
Other - $2,072

2019 USAGE BY RATE CLASS (in thousands)

Residential 197,291 kWh
Small Commercial 80,805 kWh
Large Commercial 67,826 kWh
Other Sales 9,398 kWh
HOW YOUR DOLLAR WAS USED to deliver safe, reliable service in 2019

PURCHASED POWER
$0.43
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations &amp; Maintenance</td>
<td>$0.26</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$0.11</td>
</tr>
<tr>
<td>Interest</td>
<td>$0.08</td>
</tr>
<tr>
<td>Margins</td>
<td>$0.12</td>
</tr>
</tbody>
</table>
## 2019 Balance Sheet (in thousands)

### Assets

**what we own**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Utility Plant</td>
<td>$176,255</td>
</tr>
<tr>
<td>Less: Reserve for Depreciation</td>
<td>$49,617</td>
</tr>
<tr>
<td>Net Utility Plant</td>
<td>$126,637</td>
</tr>
<tr>
<td>Non-Utility Property</td>
<td>$153</td>
</tr>
<tr>
<td>Investments &amp; Cash</td>
<td>$35,775</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$2,157</td>
</tr>
<tr>
<td>Materials &amp; Supplies</td>
<td>$2</td>
</tr>
<tr>
<td>Prepayments &amp; Other Accrued Assets</td>
<td>$2,953</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$167,677</strong></td>
</tr>
</tbody>
</table>

### Liabilities

**obligations**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term Debt</td>
<td>$85,518</td>
</tr>
<tr>
<td>Current &amp; Noncurrent Liabilities</td>
<td>$12,092</td>
</tr>
<tr>
<td>Other Deferred Credits &amp; Fees</td>
<td>$3,566</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$101,176</strong></td>
</tr>
</tbody>
</table>

### Net Worth

**members’ equity**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patronage Capital and Other Equities</td>
<td>$66,385</td>
</tr>
<tr>
<td>Membership Fees</td>
<td>$116</td>
</tr>
<tr>
<td><strong>Total Net Worth</strong></td>
<td><strong>$66,501</strong></td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES AND NET WORTH** $167,677
## 2019 REVENUES AND EXPENSES (in thousands)

### REVENUES
where it came from

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$28,992</td>
</tr>
<tr>
<td>Small Commercial</td>
<td>$10,136</td>
</tr>
<tr>
<td>Large Commercial</td>
<td>$3,890</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>$2,072</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td><strong>$45,090</strong></td>
</tr>
<tr>
<td>G&amp;T and Other Capital Credits</td>
<td>$5,042</td>
</tr>
<tr>
<td>Non-Operating Margins</td>
<td>$89</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>$50,221</strong></td>
</tr>
</tbody>
</table>

### EXPENSES
how it was used

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased Power</td>
<td>$21,299</td>
</tr>
<tr>
<td>Operating &amp; Maintaining System</td>
<td>$12,871</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$5,697</td>
</tr>
<tr>
<td>Interest on Debt</td>
<td>$4,108</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>$43,975</strong></td>
</tr>
<tr>
<td>Net Margins Including G&amp;T and Other Capital Credits</td>
<td>$6,246</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES AND CAPITAL CREDITS</strong></td>
<td><strong>$50,221</strong></td>
</tr>
</tbody>
</table>
2019 SCHOLARSHIP RECIPIENTS

Taylor Electric Cooperative congratulates our 2019 scholarship winners. These ten students were each awarded a $1,000 scholarship.

DUNCAN BACON (LEFT)  
Wylie High School

TALYN EATON (RIGHT)  
Jim Ned High School

MALONE GRAHAM (LEFT)  
Jim Ned High School

HADLEE HICKS (RIGHT)  
Hawley High School

HANNAH KIRBY (LEFT)  
Wylie High School

DARCY MEIER (RIGHT)  
Merkel High School

DAYLON MOORE (LEFT)  
Wylie High School

JENNA MOORE (RIGHT)  
Jim Ned High School

GARIN WALTERS (LEFT)  
Merkel High School

BRIANA WESTBROOK (RIGHT)  
Wylie High School
Taylor Electric believes in local students who have big dreams. That’s why the cooperative partners with Texas Electric Cooperatives and the National Rural Electric Cooperative Association to send young leaders on the Government-in-Action Youth Tour each June. Youth Tour is a week-long trip to our nation’s capital where top high school students across the country get the opportunity to visit historic sites and improve their leadership skills.

2019 YOUTH TOUR

MCKAYLA OLNEY (TOP LEFT)
Hawley High School

DYLAN MARTIN (TOP RIGHT)
Jim Ned High School

ETHEN SMITH (BOTTOM LEFT)
Merkel High School

ANNA WILLITS (BOTTOM RIGHT)
Hawley High School

“Sending youngsters to the national capital where they can actually see what the flag stands for and represents.”

- LYNDON B. JOHNSON
1957
Operation Round-Up is a shining example of the cooperative difference. The voluntary program directly affects the communities served by Taylor Electric Cooperative by giving back to local volunteer fire departments, the ones who never hesitate to rush to the membership during emergency situations.

**The Volunteer Fire Departments receiving donations are:**

- Baird VFD
- Blackwell VFD
- Buffalo Gap VFD
- Clyde VFD
- Cottonwood VFD
- Cross Plains VFD
- ECCA VFD
- Eula VFD
- Hamby VFD
- Hawley VFD
- Jim Ned VFD
- Lake Sweetwater VFD
- Lawn VFD
- Maryneal VFD
- Merkel VFD
- Moro/Bradshaw VFD
- Mulberry Canyon VFD
- Nolan VFD
- Oplin VFD
- Potosi VFD
- Putnam VFD
- Texas Forest Service
- Trent VFD
- Tye VFD
- View VFD
- Wingate VFD

* VFD’s in bold and the Texas Forest Service are Taylor Electric members

The round-up fund is created by rounding up member’s monthly bills to the nearest dollar. The additional change is then collected to create the Operation Round-Up account.

For example:
If a monthly billing statement is $168.60, the member would be billed $169.00 and the additional $0.40 would be moved to the round-up fund. The annual average contribution to the individual member is small at approximately $7.00 per year but the cooperative effort is large!

Each April, checks from the round-up fund are presented to area volunteer fire departments. Together, the Taylor EC membership has sent over $713,100 to local volunteer fire departments.

A total of 26 area volunteer fire departments will receive Round-Up funds; 11 VFD’s will receive $2,500 and 15 VFD’s will receive $2,500 plus an additional $500 for being members.
Board member Kathryn Rainey presents an Operation Round-up check to Blackwell VFD.

Board member Garland Carter presents an Operation Round-up check to Hawley VFD.

Board member Kathryn Rainey presents an Operation Round-up check to Mulberry Canyon VFD.
Taylor Electric enlisted the help of 5th graders from member schools (Abilene Christian, Hawley, Merkel, Trent and Wylie) to design a new billboard.

The 5th graders were asked to submit a drawing that shows the meaning of community.

Bailey C. from Merkel Elementary School portrayed exactly what community means by showing support for classmate Logan M. Her design was featured on a billboard near Merkel from November 2019 - March 2020.
COMMUNITY EVENTS

Taylor Electric employees serve lunch to Trent ISD teachers during inservice.

Taylor Electric employees at Bunco for Breast Cancer benefitting the Hendrick Hope Fund.

Ag students and teacher, Keith Porter, from Hawley High School showcase the new sign they built for the Abilene office lobby.

Taylor Electric employees and families walk at the American Heart Association Heart Walk.
Access Fiber

up to 1 GIG
Taylor Electric has made tremendous strides over the last year constructing fiber optic lines and completing member installs. Over 4,300 members now have access to high-speed fiber optic internet! The Taylor Electric board and employees understand how critical this service is, and are working to reach as many members as quickly as possible. In 2020, you will see many new areas that will become available as more fiber optic infrastructure is built. The feedback continually received from members is greatly appreciated and Taylor Electric looks forward to another year of providing best-in-class service. Thanks go to the board of directors and employees who make this possible everyday!
London Fulffer, a 5th grade student at Merkel Elementary, drew the above drawing for Taylor Electric Master Electrician/Journeyman Lineman Rodney Russell. London noted that it was cool that her neighbor, Rodney, works for the cooperative and drives a bucket truck to keep the lights on.
Taylor Electric Cooperative

Core Values

**success**
Deliver results and strive to excel beyond greatness.

**safety**
Everyone goes home the way they came in; zero accidents.

**members first**
Keep the members first and everything else will fall into place.

**teamwork**
Unity in strength. With teamwork and collaboration, wonderful things can be achieved.

**reliability**
System stability means everything. It changes lives.

**enjoyment**
Revel in your work, play hard and play to win.

**integrity**
Do the right thing all the time, every time.
THE COOPERATIVE SPIRIT
electricity & High Speed Internet