

Cooperative Principles and Independence Day Reflect Similar Values



MESSAGE FROM
CHIEF EXECUTIVE OFFICER ROBERT A. LOTH III

ONE MEMBER, ONE VOTE. THIS SIMPLE EDICT describes a fundamental element of the way cooperatives operate and is one of the Seven Cooperative Principles—Democratic Member Control.

With Independence Day just around the corner, this essential component of the cooperative business model strikes a fitting chord. Our nation's founding citizens sought control over their own destinies, religious and political freedom, and a system of government resistant to tyranny. They sought democ-

ber Control by putting the decision of who should serve on our board of directors in your hands.

Representative democracy, coupled with personal investment, is crucial to the co-op way, one that is deeply rooted in connection, goodwill and equality, and maintains an overarching vision of what benefits us all. That's the cooperative difference.

Autonomy and Independence is another of the Seven Cooperative Principles. As the Second Continental Congress

adopted our nation's Declaration of Independence on July 4, 1776, so too do cooperatives establish and safeguard their independence.

We at Central Texas EC maintain our autonomy by only entering into agreements with organizations and raising capital under terms that ensure we carry out the vision and meet the needs of our members. We honor the trust of our members through judicious use of funds and know that integrity rivals electricity as our most precious resource. Without the confidence of our membership, we cease to operate effectively. So, we plan to maintain our autonomy and your trust for generations to come.

Finally, as July 4 nears, consider the principle of Voluntary and Open Membership. As a voluntary organization, Central Texas EC is open to all, without gender, social, racial, political or religious discrimination. Perhaps there is

no higher or more patriotic tenet to uphold in our cooperative or our country. In times of strife or discord, I look to these unifying principles for comfort and inspiration and as a reminder of all that unites us.

Side by side with our members, neighbors and friends, we honor our history this Independence Day and the spirit of cooperation that conceived this great nation.



racy rooted in the concept of equality—as the Declaration of Independence elegantly asserts, “all men are created equal.”

Our country's founding principles resound within your electric cooperative's structure and election process. Each year, as part of Central Texas Electric Cooperative's annual meeting, each member gets to vote on director candidates—your co-op decision-makers. We implement Democratic Mem-



Capital Credits Make Co-ops Distinctive

More than \$5 million in patronage capital allocated to CTEC members

CO-OPS ARE DIFFERENT FROM MOST BUSINESSES. WHAT MAKES them different is how members participate in the business, and especially in their contribution to the economic success of the business. Members of the cooperative do this every time they pay a bill for electric service. With each bill paid, co-op members help provide the funding to build and maintain the distribution system that delivers electricity to them.

Because Central Texas Electric Cooperative is a nonprofit organization, bill payments that are not used to pay for wholesale power and other operating expenses are invested in the distribution system. The revenues over and above the cost of doing business are considered “margins.” These margins function as an interest-free loan of operating capital by the membership to the co-op. This capital allows CTEC to finance operations and construction, with the intent that such capital will be repaid to members in later years.

Margins for Members

Each member’s share of capital is referred to as “patronage capital” or “capital credits.” Capital credits reflect each member’s portion of the margins earned by the co-op. CTEC allocates margins to all members each year that a positive margin is earned. This means that an entry is made in the permanent financial records of the co-op reflecting each member’s equity, or ownership, in Central Texas EC.

CTEC allocated 2017 margins in the amount of \$5,077,869.18. Eventually, the capital credits that have been allocated will be returned to the members in the form of credits on their electric bills or capital credits checks. Because the margins earned by the co-op are relatively small, it takes up to 30 years before all the capital credits allocated in a given year are returned or retired. CTEC’s bylaws establish a process for returning capital credits that emphasizes payout of the oldest unretired capital credits. The process also returns a larger share of capital to members who have paid larger bills and contributed more capital over the years. Last year, more than \$1.1 million in capital credits were returned to CTEC members.

Return Process

The capital credits retirement process involves several steps. First, the CTEC Board of Directors determines the amount of capital to be retired each year. The board will retire capital

credits only when doing so will not impair the financial condition of the co-op.

After the retirement amount has been determined, half of the authorized retirement amount is applied against the oldest unretired capital credits on the co-op’s books. The remaining half of the retirement amount is then determined on a pro rata basis, based upon each member’s share of the total outstanding capital credits balances of all members. In other words, if a member owns 1 percent of the unretired capital credits on the books of the co-op, he or she would receive 1 percent of the capital credits retired in this fashion. After the dollar amount of each member’s refund is determined, it is applied to reduce his or her oldest unretired capital credits on record.

Members with active accounts can keep track of capital credits by simply reviewing their June electric bills. The amount of capital credits allocated to each account is listed on the bill each year, following the allocation by the board of directors. When capital credits are retired, active members each receive a bill credit in the amount of the retirement amount, which is reflected on their billing statements.

Patrons who no longer have active accounts receive allocation notices and retirement checks by mail. Unfortunately, many former members miss out on these communications because they have not provided the co-op with a current address. Every year, thousands of dollars in capital credits retirements go unclaimed. Eventually, these unclaimed funds are transferred to the state of Texas. The forfeiture of these accounts could be avoided simply by keeping the co-op informed of address changes.

Keep Current

Capital credits also require attention when a member or patron passes away. A representative of the deceased person should provide the co-op with a death certificate and letters testamentary or other evidence of the representative’s authority to handle the deceased person’s affairs. Questions about handling these accounts can be directed to CTEC’s capital credits department in the Fredericksburg office.

Utilities like CTEC require serious investment to sustain operations, especially when the system is growing the way ours is. Members’ capital is one of the ingredients that helps ensure that our corner of the Hill Country will continue to enjoy affordable, reliable electric energy.

SAVE THE DATE

**CTEC ANNUAL
MEETING • AUG 21**

**LLANO HIGH SCHOOL
AUDITORIUM**

The meeting begins at 7 p.m. and will include the election of four co-op members to the board of directors. Come early and visit with co-op neighbors and see a video update regarding your co-op. As always, the meeting will conclude with a drawing for door prizes. Look for more information in next month's issue!



Central Texas Electric Co-op

Your Touchstone Energy® Partner 
The power of human connections®



Central Texas Electric Cooperative

Fredericksburg (headquarters)

386 Friendship Lane
Fredericksburg, TX 78624

Llano

1410 E. State Highway 29, Llano

Kingsland

Nob Hill Subdivision
706 Cottonwood St., Kingsland

Mason

1881 E. State Highway 29, Mason

Office Hours

8 a.m.–5 p.m., Monday–Friday

Website

ctec.coop

CHIEF EXECUTIVE OFFICER

Robert A. Loth III

BOARD OF DIRECTORS

W.C. "Dub" Stewart, President, *Llano County*
Allen Goodwin, Vice President, *Kendall County*
Doyle Bode, Secretary, *Gillespie County*
Tim Lehmborg, Treasurer, *Gillespie County*
Jack Asbill, *Mason County*
Rex Brand, *Kerr County*
Tommy Duncan, *Llano County*
Mark Hahn, *Mason County*
Stanley Keese, *Llano County*
James Low, *San Saba County*
Charles E. Pearson, *Gillespie County*

Safety on the Farm

FARMING IS AMONG THE MOST DANGEROUS OCCUPATIONS FOR SEVERAL REASONS, including potential encounters with electrical hazards. Before taking to the fields, Central Texas Electric Cooperative urges farmworkers to be aware of overhead power lines and to keep equipment and extensions far away from them.

Share this information with your families and workers to keep them safe from electrical accidents.

Start each morning by planning your day's work. Know what jobs will happen near power lines and have a plan to keep assigned workers safe.

Keep yourself and equipment at least 10 feet away from power lines in all directions at all times. Use a spotter when moving tall equipment and loads.

Use care when raising augers or grain truck beds. It can be difficult to estimate distance, and sometimes a power line is closer than it looks. Use a spotter to make certain you stay far away from power lines.

Always lower equipment extensions, portable augers and elevators to their lowest possible level, under 14 feet, before moving or transporting them. Wind, uneven ground, shifting weight and other conditions can cause you to lose control of equipment and make contact with power lines.

Be aware of increased height on larger modern tractors with higher antennas.

Never attempt to raise or move a power line to clear a path. If power lines near your property height have sagged over time, call Central Texas EC to repair them.

Don't use metal poles when breaking up bridged grain inside and around bins.

Be careful not to raise any equipment, such as ladders or poles, into power lines.

Remember, nonmetallic materials, such as lumber, tree limbs, tires, ropes and hay, will conduct electricity, depending on dampness and dust and dirt contamination.

Use qualified electricians for work on farm electrical systems.

If you are on equipment that contacts a power line, do not exit the equipment. If you step off the equipment, you could receive a potentially fatal shock. Wait until utility workers have de-energized the line and confirmed it is safe for you to exit the vehicle. If the vehicle is on fire and you must exit, jump clear of the vehicle with both feet together. Hop as far from the vehicle as you can with your feet together to prevent current flow through your body, which could be deadly.

Emergency Contact

To report electric service interruptions, please call the Central Texas Electric Cooperative office in your area at the numbers listed below:

FREDERICKSBURG AREA

(830) 997-2126

1-800-900-CTEC (2832)

including Gillespie, Kendall, Kerr, Blanco, Real and Kimble counties

LLANO AND SAN SABA AREAS

(325) 247-4191

THE LAKES AREA

(325) 388-4542

8 a.m.–5 p.m.

(325) 247-4191

after business hours

MASON AREA

(325) 347-6314

including McCulloch, Menard and Kimble counties

CENTRAL TEXAS EC | MAY 8, 2018

Regular Board Meeting Recap

Meeting called to order and prayer offered.

- Approved:** Minutes of the Regular Board Meeting Held April 17, 2018
- Approved:** April 10–May 7 Membership List and Membership Conversions
- Reviewed:** Operations and Outages Report
- Reviewed:** Safety Report for Three Months Ended March 31, 2018
- Reviewed:** Financial and Statistical Reports for Three Months Ended March 31, 2018
- Approved:** Resolution Authorizing Transfer of Unclaimed Property to Scholarship Fund
- Discussed:** CEO Evaluation Process
- Approved:** CEO Merit Raise
- Approved:** Property and Liability Insurance Renewal for June 1, 2018–2019
- Reviewed:** Board Policy No. 6
- Reviewed:** Board Policy No. 8
- Discussed:** Review of Director Compensation
- Discussed:** Update on Load-Following Contract
- Approved:** Sale of CTEC Transmission Assets to LCRA
- Discussed:** 2018 CTEC Scholarship Recipients
- Discussed:** Future "In-Boardroom Training" Subject Material

Meeting adjourned.



MICHAELNIC | ISTOCK.COM

Dead Outlet?

Check it out before calling an electrician

WHEN YOU PLUG A LAMP OR AN APPLI-ance into a socket, you expect to be able to turn it on. Sometimes, though, you'll find that the outlet is "dead."

Before you call an electrician, check a few things out:

- 1.** Plug something else into the same outlet. It could be that the problem is with the device and not the outlet. If this one turns on, that's the case.
- 2.** If more than one device is plugged into the same outlet—or if a full power strip is plugged in there—check to see if everything else is working. If not, try this: Unplug one device at a time until something turns on. It could be that you've overloaded the outlet.
- 3.** If nothing is turning on at that outlet, check your circuit breaker. Open the door and notice if a single switch is turned off; if so, turn it back on. If you can't locate the circuit that belongs to that outlet, turn off all of the breakers then turn them back on one at a time.
- 4.** If you plug the lamp or appliance back into the outlet and the circuit trips again, it's time to call an electrician.
- 5.** And if your dead outlet has a ground-fault circuit interrupter, you might be able to solve the problem simply by pressing the reset button on the face of the outlet.



NDS000 | ISTOCK.COM

Power Tip Except for fans that are designed for continuous operation, turn off kitchen, bath and other exhaust fans within 20 minutes of cooking or bathing.



MARLINCOULD | DREAMSTIME.COM

Happy Independence Day
Our offices will be closed Wednesday, July 4, in observance of the holiday.

Summer Safety Hodgepodge

WE ALL ENJOY TAKING PART IN FUN ACTIVITIES AND outings over the relaxed days of summer. Bear in mind these tips to do so safely.

Shelter From the Sun

Long sunny days spent outdoors leave us susceptible to heat exhaustion and heatstroke, especially when the mercury surges into triple digits. To prevent these serious conditions, limit sun exposure on hot days.

If it's unavoidable, observe the following practices:

- ▶ Drink more liquid than you think you need and avoid alcohol.
- ▶ Wear loose, lightweight and light-colored clothing. A hat helps shield you from the sun's rays, too.
- ▶ Replace electrolytes lost through perspiration by drinking fruit juices or sports drinks.
- ▶ Try to avoid spending time outside during the hottest part of the day, usually 11 a.m.–3 p.m.
- ▶ Wear sunscreen. A sunburn can negatively affect the body's ability to cool itself.
- ▶ If running or doing any other strenuous activity, pace yourself.

Fend Off Itchy—and Hazardous—Bites

Justifiably considered the bane of summer by many, mosquito bites are more than just a slightly painful nuisance. They also can transmit serious illnesses, including West Nile and Zika viruses. **Reduce your risk by taking the following preventive measures:**

- ▶ Use Environmental Protection Agency-registered insect repellent with DEET, being sure to apply as directed.
- ▶ Wear long-sleeved shirts and pants in bug-ridden areas.
- ▶ Do not leave unscreened doors or windows open.
- ▶ Make a weekly habit of scrubbing or emptying planters, birdbaths, vases, flowerpot saucers and any other outdoor items that collect water, which is required for mosquito eggs to hatch.

Appreciate Fireworks' Beauty and Risk

Just as electricity must be treated and handled with respect, it's important to approach fireworks with care. It can be easy to focus on their dazzling displays at the expense of remembering that fireworks present significant risks.

According to the U.S. Consumer Product Safety Commission, in 2016, at least four people died and 11,100 were injured badly enough to require medical treatment after fireworks-related incidents. And on a typical Fourth of July, fireworks cause 40 percent of all reported fires, according to the National Fire Protection Association. Consider avoiding consumer fireworks and instead enjoy a spectacular public display



conducted by professionals. We want your Independence Day celebrations to be fun, memorable and safe.

If fireworks are legal in your area and you choose to use them, please be mindful of the following tips for safe handling:

- ▶ Never use fireworks while under the influence of drugs or alcohol.
- ▶ Never allow young children to handle fireworks.
- ▶ Older children should use fireworks only under close adult supervision.
- ▶ Anyone using fireworks or standing nearby should wear protective eyewear.
- ▶ Never light fireworks indoors.
- ▶ Only use fireworks away from people, homes and flammable materials, and only light one at a time, maintaining a safe distance after lighting.
- ▶ Never ignite devices in a container.
- ▶ Do not try to relight or handle malfunctioning fireworks.
- ▶ Soak unused fireworks in water before discarding.
- ▶ Keep a bucket of water nearby to fully extinguish fireworks that don't go off or in case of fire.

We at Central Texas Electric Cooperative wish you a summer filled with fun and the makings of many happy memories. Wherever this season's adventures take you, keep these practices in mind to stay safe.