

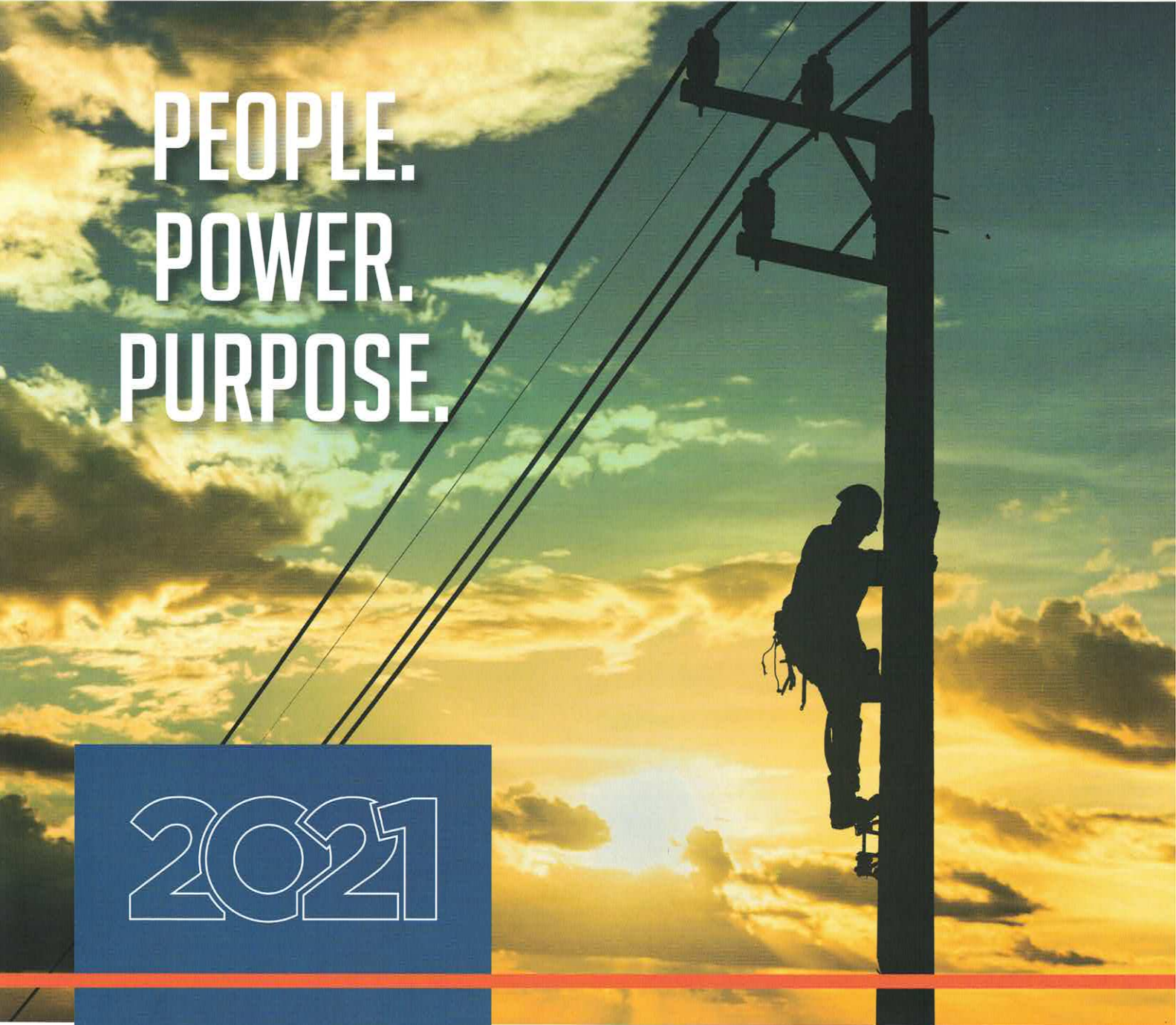
# RCEC

ROOSEVELT COUNTY ELECTRIC COOPERATIVE

PEOPLE.  
POWER.  
PURPOSE.

2021

ANNUAL REPORT



Roosevelt County Electric Cooperative, Inc.  
P.O. Box 389  
Portales, New Mexico 88130

March 31, 2022

Dear Consumer:

You are cordially invited to attend the 2022 Annual Meeting of the Members to be held on April 18<sup>th</sup> in ENMU's Campus Union Ballroom. Registration will begin in the Union Lobby at 5:30 p.m. A buffet meal will be served at 5:45 p.m. The business meeting will begin at 6:30 p.m.

During the business meeting, we will have reports on the operations of the co-op, presentation of RCEC Scholarships and safety coloring contest awards. There will be an election of trustees from Positions 2 (Floyd), 5 (Rogers) and 7 (at-large), as well as the 2023 Nominating Committee members and alternates. Enclosed is a copy of the 2021 Annual Report and Notice of 2022 Annual Meeting for your review.

Babysitting will be available during the meeting for children ages 7 and under. Door prizes will be given away throughout the meeting.

**If you plan to attend the dinner and meeting, please call the office at 356-4491 by Friday, April 8<sup>th</sup> so that we can plan for the meal.**

See you at the meeting!

*Antonio R Sanchez Jr*  
General Manager/Executive Vice President





**PROGRAM:**  
**INVOCATION**  
**DECLARATION OF QUORUM**  
**READING OF NOTICE & MINUTES**  
**AWARDS**  
**COMMITTEE REPORTS**  
**CREDENTIALS & ELECTION REPORT**  
**OTHER BUSINESS**  
**ADJOURNMENT**



# PROGRAM

## OFFICIAL NOTICE OF 2022 ANNUAL MEETING OF THE MEMBERS

The 82nd ANNUAL MEETING OF THE MEMBERS of Roosevelt County Electric will be held at the ENMU Campus Union Ballroom in Portales, New Mexico.

Registration begins at 5:30 p.m., meal at 5:45 p.m., and business meeting at 6:30 p.m. on Monday, April 18, 2022 to take action on the following matters:

Reports of Officers and Committees  
 Election of Trustees for:

- Position 2, Position 5 & Position 7
- Election of 2023 Nominating Committee
- Any other business to transact

*The following members have been nominated as trustee candidates by the Nominating Committee:*

POSITION	CANDIDATE
2	Leon Nall Hershel Essary
5	Brandon Dewbre Danny Victor
7	Billy Cathey Shawn Burrow

*The following members have been nominated to serve on the 2023 Nominating Committee:*

POSITION	MEMBER	ALTERNATIVE
1	Kirk Bryant Kendall Terry	Rod Savage
2	John King	John Kropp
3	Jeff Essary	Jimmy Dale Ward
4	Alfonso Gomez Maury May	Kerry Osburn
5	Patrick Kircher	Caleb Howl
6	Floyd Jones	James S Southard
7	Beverly Creighton	Carol Fine

Additional nominations for trustees and the 2023 Nominating Committee may be made at the meeting.

### RCEC Facts

Consumers	3,180	Number of Meters	6102
Miles of Line	2,852	KWH Sales	157,924,014
New Connects	162	Employees	43
Residential Cost/KWH	\$0.068		

# BOARD OF TRUSTEES



**WESLEY BROWN**

President  
Spouse: Linda  
Board Member since 2009  
Position 2



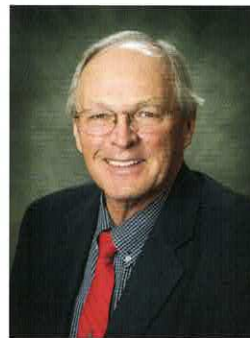
**GENE CREIGHTON**

Spouse: Glenda  
Board Member since 2011  
Position 3



**JANET COLLINS**

Vice President  
Spouse: Steve  
Board Member since 2016  
Position 1



**CHARLES BENNETT, JR.**

Spouse: Beverly  
Board Member since 2019  
Position 4



**CHRIS DUNCAN**

Secretary-Treasurer  
Spouse: Cathy  
Board Member since 2017  
Position 6 At-Large



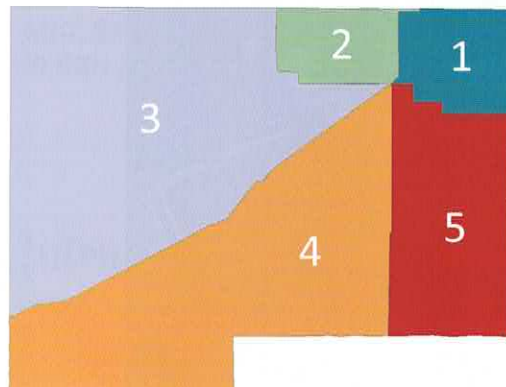
**DARRELL CAVINESS**

Spouse: Paula  
Board Member since 2009  
Position 7 At-Large



**BRANDON DEWBRE**

Spouse: Julie  
Board Member since 2021  
Position 5



Service Area Position

- 1** Janet Collins
- 2** Wesley Brown
- 3** Gene Creighton
- 4** Charles Bennett, Jr.
- 5** Brandon Dewbre
- 6** Chris Duncan\*
- 7** Darrell Caviness\*

\* At large





Standing left to right: Brandon Dewbre, Wesley Brown, Charles Bennett Jr. and Chris Duncan  
Sitting left to right: Gene Creighton, Janet Collins and Darrell Caviness

### *Mission Statement*

To provide safe, reliable and affordable electrical service to the members we serve.



# REPORT FROM MANAGEMENT & BOARD



**ANTONIO SANCHEZ, JR.**

General Manager/  
Executive Vice  
President



**WESLEY BROWN**

President  
Board of Trustees

2021 was another year of continued restrictions and abnormal activities due to the ongoing COVID-19 virus pandemic. If you'll recall, back on March 11, 2020, Governor Michelle Lujan Grisham issued an Order declaring a public health emergency due to the spread of the virus in New Mexico. Two years have passed, but New Mexico is nowhere close to pre-pandemic times. The New Mexico Department of Health is reporting that 68.3% of the state's population is fully vaccinated as of January 30, 2022 but we're learning the virus is not being eliminated because of the vaccine so we're still battling the effects and restrictions. At the co-op level, it becomes frustrating when trying to plan projects and perform certain tasks when an employee or employees either contract it or are required to quarantine due to exposure to someone with COVID-19. All we can do is continue to pray that it ends soon and that we return to some form of pre-pandemic time.

Due to ongoing, COVID-19 restrictions, Roosevelt County Electric Cooperative, Inc. (RCEC) had to make alternative plans since conducting their Annual Meeting of the Members was not an option and proposed changes to the Bylaws needed to be made to allow for Emergency Special Meetings in which trustee elections could take place and alternative meeting platforms could be used. As you'll recall, in 2021 RCEC held two Special Meetings of the Members. The first was held on March 27, 2021. At this meeting, a quorum was established and the membership voted to allow for changes to the Bylaws, only when Emergency Special Meetings were necessary, that included the ability for current trustees to hold over their original term by one year and extended the original election of all trustees by one year in single year

increments. Another Bylaw change was the elimination of nominations of trustee candidates from the floor and the allowance of nominations by petition of twenty percent (20%) of a quorum being required on a petition that is provided by the Credentials and Election Committee and delivered by the members to the Secretary of the Board of Trustees. Due to the need for trustee elections, whether term-limits are reached and the trustee is no longer eligible to run for an additional term, or if they are eligible to run again, the membership approved elections to be held by mail-in ballot, or other electronic means as determined by the Credentials and Election Committee.

The second Special Meeting of the Members was held on June 26, 2021 for the purpose of the election of trustees for positions three (3) and six (6). A quorum was established and both Gene Creighton (position 3) and Gordon Chris Duncan (position 6) were re-elected to serve in their current capacities. The nominations for Members and Alternates for the 2022 Nominating Committee were also approved at this Special Meeting. Voting was conducted using two methods, early voting during the week prior to the Special Meeting and also in-person during the Special Meeting.

To add to the list of unusual events, RCEC and its members experienced the wrath of Winter Storm Uri. This ice storm had widespread impacts across the United States, Northern Mexico and parts of Canada and lasted from February 13 – 17, 2021. It contributed to a severe cold wave that caused blackouts for over 9.9 million people in the U.S. and Mexico. These were the largest blackouts in the U.S. since the Northeast blackout of 2003. In the end, 259 people in the U.S. died as a result of this storm. The financial impact to our Generation & Transmission entity, Western Farmers Electric Cooperative, Inc. (WFEC), who supplies all of RCEC's power requirements, to date is a staggering \$124,976,513. This includes the Southwest Power Pool's (SPP's), December 2021 Resettlement but may not be the final cost. RCEC's load share of this cost is \$1,874,489. This cost is being passed on to all RCEC members and collected through the fuel cost adjustment as filed at the New Mexico Public Regulation Commission since it was a direct impact to the cost of fuel. RCEC's members will begin paying their share in the January 2022 invoices that go out in February 2022. These dollars will be collected over a five-year term in order to reduce the financial impact to our members.

In March, 2021, Kenneth Cox (position 5) resigned from the Board of Trustees and Brandon Dewbre was appointed by the Board to fill this position. Brandon has done a great job learning and performing his role and has attended a couple of training sessions to gain a better understanding



of his duties and responsibilities as a trustee and how the cooperative operates. Brandon will be required to run for this position in 2022 to be officially elected to serve a new, three-year term on the Board.

On October 1, 2021, RCEC's most recent rate filing went into effect. The purpose of this filing was to implement rate changes necessary to assure that consumers choosing to install a distributed generation (DG – such as wind or solar) system continue to pay their fair share of the costs of construction, operation and maintenance of the RCEC electric system that are incurred by RCEC to serve these customers. Although these members have an alternative source of electricity, it is not always available and therefore they remain connected to the cooperative so that they don't have to go without electrical service. This change affected Rate No. 1 – General Service, Rate No. 2 – Commercial Service and Rate No. 3 – Irrigation Pumping and Dryer Service by introducing a rate rider for RCEC members who chose to purchase and install a DG system after October 1, 2021. Those members who had a system in place or were in the process of installing a system and had filed an application with RCEC before this date, were grandfathered-in for the life of the existing system, as long as it remained in service and was owned by the member on file at this time. These members would still be responsible for a new Billing & Meter Reading cost associated with net metering (proper accounting of the electricity generated by the DG system and the amounts purchased from RCEC) process. More information regarding this rate change can be obtained directly from the New Mexico Public Regulation Commission website or from RCEC.

In 2021, RCEC wrapped-up its current, Four-Year Work Plan. In doing so, RCEC depleted all available funding (\$13,523,260) from its current FFB (RUS) loan that was obtained to fund all the projects as part of this Plan. This Four-Year Work Plan spanned from 2017 through most of 2021. RCEC has begun the process of developing a new, Four-Year Work Plan and once completed will pursue a new FFB (RUS) loan to fund the Plan. RCEC hopes to have these both in place in 2022 but has learned that timing can be an issue due to long lead times for approval once submitted to the USDA Rural Development (RUS).

COVID-19 has also created a difficulty in acquiring and purchasing materials, equipment, trucks, heavy equipment, computer supplies...and the list goes on and on...in a timely and cost-efficient manner. Long lead times and growing costs make it difficult to plan for projects and to continue to provide line extensions in a timely and affordable manner. This is true for all electric utilities and other businesses. Basic economic principles that examine the relationship between the amount of

goods or services available and the number of people who want to buy those goods or services are indicative that when demand increases, so do associated costs unless supply of these good can be maintained. This pandemic has reduced the labor available to obtain, construct or build many of these items so supplies have been reduced and deliveries delayed. Some of the manufacturers for these cooperative related items are overseas thus making it even more difficult to obtain due to shipping delays. RCEC has received quotes that are double the cost they were prior to the pandemic and delays in receiving goods are expected to be more than a year in duration. In order to continue to provide service to our members, RCEC has worked diligently to maintain our inventory and to postpone any large projects until cost and timing become more favorable.

Our Generation and Transmission entity, Western Farmers Electric Cooperative, Inc. (WFEC) has been satisfying and continue to satisfy the requirements within RCEC's renewable portfolio. At year-end 2021, WFEC's breakdown for renewable generation, based on wholesale member sales consisted of 30.1% Wind, 0.9% Solar and 7.3% Hydro for a total of 38.3%. In addition to these renewable statistics, RCEC also retires renewable energy credits (RECs) from renewable generators on our cooperative's system. In 2019, the New Mexico Energy Transition Act was passed at the legislature which established renewable energy standards and a pathway for low-carbon energy transition from fossil fuels. This law requires that NM electric cooperatives renewable portfolios consist of 40% renewables by January 1, 2025 and escalate to 50% by January 1, 2030. As you can see, RCEC should meet the 2025 requirement with no problem, thanks to WFEC's efforts to obtain and provide available renewable generation. As per this same law, the goal is to be 80% renewable by January 1, 2050 along with a zero-carbon resource target.

In lieu of what lies ahead, RCEC is committed to continue to provide safe, reliable and affordable electrical service to the members they serve. RCEC continues to operate according to the Seven Cooperative Principles and will always put the needs of our members first. RCEC works in many extremes to ensure the lights will come on when a member flips a switch and will always value our member's support. We are here to serve our members and are proud to do so!



# EMPLOYEE YEARS OF SERVICE

<b>MATT NEECE</b> Line Foreman 23 Years	<b>JEREMY NEAL</b> AMI Facilitator 16 Years	<b>SAMMY TAPIA</b> Warehouse Helper 5 Years	<b>ADRIAN ALVAREZ</b> Groundman 2 Years
<b>CLINT WALKER</b> Metering Assistant 22 Years	<b>NORMA RAMOS</b> Customer Service Representative 16 Years	<b>PAUL SPENCE</b> GIS Mapping Coordinator 4 Years	<b>ISIDRO DURAN</b> Groundman 2 Years
<b>ANTONIO SANCHEZ, JR.</b> General Manager 22 Years	<b>TYLER SMITH</b> SCADA Technician 13 Years	<b>TANNER RAWDON</b> Apprentice Lineman 4 Years	<b>TJ GARCIA</b> Staking Technician 1 Year
<b>SAMMY VILLANUEVA</b> Line Superintendent 21 Years	<b>FELICIA POWELL</b> Office Manager 12 Years	<b>DATHAN CULPEPPER</b> Equipment Operator 4 Years	<b>PRESTON ELKINS</b> Accounting & Finance Manager 1 Year
<b>LESLIE ROBERTS</b> Office Assistant 21 Years	<b>DARRIN STROIK</b> Equipment Manager 11 Years	<b>COLT BANISTER</b> Lineman 3 Years	<b>TOBY ZERTUCHE</b> Custodian 1 Year
<b>ANNETTE SALGUERO</b> HR Administrator 20 Years	<b>RO ORRANTIA</b> Lineman 7 Years	<b>ANDY GALVAN</b> Mechanic 3 Years	<b>COBE CORREA</b> Engineering Aide 11 Mos
<b>RICH SMITH</b> Warehouse Manager 19 Years	<b>ERIC SEGOVIA</b> Engineering Manager 7 Years	<b>JORDAN JASSO</b> Apprentice Lineman 3 Years	<b>BRIAN GONZALES</b> Metering Aide 10 Mos
<b>MANUEL MENDOZA</b> Equipment Operator 19 Years	<b>BARRETT WILLIAMSON</b> Lineman 7 Years	<b>TILLMAN STEVENS</b> Safety/Loss Control 2 Years	<b>SHAUN MILLER</b> Groundman 10 Mos
<b>CLAYTON BARBER</b> Lineman 18 Years	<b>JAMIE KING</b> Accountant 7 Years	<b>CHRIS VALDEZ</b> Groundman 2 Years	<b>ALICIA AGUILAR</b> Accounting Assistant 7 Mos
<b>ROBERT MONTOYA, JR.</b> Lineman 18 Years	<b>CESAR GONZALES</b> Equipment Operator 6 Years	<b>BOB TURNBOUGH</b> IT Specialist 2 Years	<b>COLTEN FAIRCLOTH</b> Groundman 5 Mos
<b>JANICE CASTILLO</b> Member Service Adviser 17 Years	<b>TAMMY SALAS</b> Customer Service Representative 5 Years	<b>ALEX VARELA TARANGO</b> Groundman 2 Years	





## EMPLOYEE YEARS OF SERVICE

Your committed years of service that you have provided to our Co-op is truly valuable and deserves our appreciation. Congratulations and well done!



Left to right

**TAMMY SALAS - 5 YEARS, SAMMY TAPIA - 5 YEARS,  
ANNETTE SALGUERO - 20 YEARS**

## RETIREE

### **LESLIE (LES) RECTOR**

Line Superintendent

**42 Years of Service**

Leslie (Les) Rector retired after 42 - ½ years of service to RCEC. Les began his career at RCEC June 2, 1978 as a Groundsman and worked his way up to Journeyman Lineman in 1983. He became Line Foreman in 1999 and was promoted to Line Superintendent when Apolonio Santillanes retired in 2009. Les has worked under five General Managers, one interim and three Line Superintendents. Over the last 42 - ½ years, Les has worked with 115 former full-time employees and numerous summer help employees. Les is sure enjoying retirement with his family! RCEC wishes you the best in retirement.





# RCEC EDUCATION FOUNDATION DONATIONS

Wesley Andes  
 Fred Anthony  
 S Mark Anthony  
 Arch Volunteer Fire & Rescue  
 George W Autry Sr  
 John C Bailey  
 B W Barnard  
 Norma Belcher  
 Bethel Baptist Church  
 Nadean Bigler  
 Boone Cattle Company /Pat  
 John D Britton  
 Harold Brooks  
 Floyd Sherman Brown  
 Buckle Cattle Co  
 Harry Burke  
 Hugh Burke  
 L D Burrow Jr  
 C & S Oil Co  
 Frd L Campbell  
 Charlie Carmichael  
 Billy & Joeli Cathey  
 Herschel Caviness Trust  
 Galen Chandler  
 Wayne Chenault  
 Clovie Chunn  
 Emmitt Clayton  
 Cecil F Clotfelter  
 Raymond Cochran  
 Andrew Cox  
 Gene Creighton  
 Wayne Crume  
 Dairy Farmer of America #472  
 Mrs EE Davis  
 D C Dial  
 Marvin Dolle Estate

Leo Doyal  
 Gordon C Duncan  
 T Z Duncan  
 Mark W Dunlap  
 Elida Beaty Shop  
 Elida Roping Club  
 E L Evans  
 Ruth Fenton  
 Emory Ferguson  
 Betty Flores  
 Betsy Freeman  
 Garica Brothers  
 Rhonda K Gentry  
 George Farms  
 Mrs Alvin George  
 Robert J Giebitz  
 William T Gilbert  
 Mike Gollehon  
 Charles Lewis Good  
 Esther Greathouse  
 Wanda Grider  
 Alvis Griffith  
 Robert Grimes  
 Tom Haislip  
 Roger D Hamar  
 Dean S Hardy  
 Alicia Hatch  
 Hunter Hayes  
 L D Hays  
 Mae Heflin  
 Lina B Helm  
 Janel Hill  
 H W Hodges  
 Dan Howard  
 Marcia Howl  
 Henry O Jenkins

Elliott Jewet  
 Fona J Jones  
 William M Joy  
 Felix Kelm  
 P Mali Kimball  
 Arthur King  
 R B Knowles  
 H B James Kyle  
 Ladies Aid/Kenna Cemetary  
 M L Lasater  
 Delbert Ledbetter  
 Clifford Lee  
 Olen Lowe  
 C H Lowery  
 Mary Mullins Lynch  
 Thomas H Lynch  
 Donald Massey  
 Gene Massey  
 Alice L McClarney  
 Larry McKillip  
 Ella S Michael  
 J M Miller  
 W F Miller Jr  
 Milnesand Fire Department  
 Ethel Mullins  
 Bobbie Nall  
 Charley V Neely  
 Jake Nix  
 F C Oldham  
 Joe Parie  
 Peggy Patterson  
 Charlie Payton  
 Lila J Heitman Pendergraft  
 G E Peterson  
 Boyd J Powell  
 Leroy Radcliff

Roy Radcliff  
 Abe Ribble  
 Wanda Richards  
 Marvin N Roberts  
 Roosevelt County  
 Alma G Sanders  
 L M Schumpert  
 Howard Sorenson  
 Vern Stokard  
 Raymond Stokes  
 Orville Strickland  
 W L Sturdivant  
 Helen Suram  
 Charles E Svanda  
 Clarence Thompson  
 Lyndell Thomson  
 Bennie Thurman  
 Dennis Tollett  
 J T Toombs  
 Melvin Turnbow  
 Pearl Ulibarri  
 Dwayne Vardeman  
 W Stanley Vibbard  
 Victor Family Living Trust  
 Earl Walker  
 Elvin Walker  
 Roy Watson  
 Winifred West  
 Haroled Widener  
 Audry L Williams  
 Sidney Lee Wilson  
 Lynnette M Walker  
 Z-7 Farms Inc



# MINUTES AND SCHOLARSHIPS

The Special Meeting of the Members of Roosevelt County Electric Cooperative, Inc. was held Saturday, June 26, 2021, at ENMU Football Stadium Parking Lot in Portales, New Mexico.

**CALL TO ORDER:** The meeting was called to order at 11:00 a.m. and Annette Salguero appointed as recording secretary for the meeting.

**RECOGNITION OF QUORUM:** A quorum was declared with 124 voters registered.

**ATTORNEY'S REPORT:** Attorney reported the 2020 Nominating Committee met February 23, 2021 and the following candidates for trustees and Nominating Committee for 2022 were selected:

- Position 3: Gene Creighton (present trustee)  
Larry Jewell  
Position 6: Chris Duncan (present trustee)  
Waverly Criswell

## **Nominations for Members & Alternates for the year 2022 Nominating Committee are as follows:**

Position	Member	Alternate
1	Rod Savage	Steve Harris
2	Paul Benoit John Kropp	John King
3	Betty Price	Jeff Essary
4	Kerry Osburn	Alfonso Gomez
5	Quentin Ray Caleb Howl	Patrick Kircher
6	James Shay Southard	Floyd Jones
7	Carol Fine Billy Jo Dixon	Beverly Creighton

Being no nominations by petition or floor, votes were cast and gathered by the Credentials & Election Committee.

**VOTING RESULTS:** Attorney Queener reported the Trustee election results certified by the Credentials & Election Committee as follows:

- Position 3: Gene Creighton  
Position 6: Chris Duncan

The 2022 Nominating Committee was elected as Presented and the 2022 annual meeting meal passed.

**ADJOURNMENT:** The meeting adjourned at 11:52 a.m.

## **2022 Scholarships**

### **2022 HIGH SCHOOL SCHOLARSHIPS**

#### **8 @ \$6,000 EACH**

Avery Pipkin	Cade Cameron
Eric Ramirez	Teagan Faust
Cache Skelley	Charley Bartl
Truman Belcher	Lucero Cano

#### **6 @ \$4,000 EACH**

Brianna Nettles	Cristian Mascorro
Emily Singleterry	Kasen East
Katelynn Skinner	Rebecca Banister

### **RETURNING COLLEGE STUDENTS**

#### **28 @ \$3,000.00**

Abigail Cameron	Allie Luscombe	Alyssa McAlister
Briley Neece	Carson Frazee	Cesario Ramirez
Chanden Neece	Cree Barber	Daniel Galvan
Danielle Ruiz	Derek Belden	Eli Terry
Gunnar Standifer	Hope Bilbrey	Ignacio Perez
Jayce Victor	Jaylee Bradley	Jazmin Garza
Kaitlyn Kircher	Lexie Lee	Lydia Barron
Mattison Blakey	Mckenzie Lee	Price Preuit
Ryan Wallace	Koelle Brandenberger	
Francisco Lopez Jr.	Lexie Miller	

### **RENEWABLE ENERGY**

RCEC's requirements under the New Mexico Renewable Energy Act's Renewable Portfolio Standard requires that at year-end 2020, 10% of their total retail sales be comprised of renewable energy, as demonstrated by its retirement of renewable energy certificates (RECs). In 2021, 28,770 RECs were retired, which is equivalent to 18%.

### **2021 CAPITAL CREDITS**

RCEC capital credits based on its operational margins of \$102,787.00 and WFEC G&T Capital Credits \$230,563.00. Capital Credits are refunded as the board policy authorizes and is not restricted by mortgage covenants.



## COMMITMENT TO COMMUNITY

The seventh Cooperative Principle, "Concern for Community", says cooperatives work for the sustainable development of their communities through policies supported by the membership. RCEC has been providing loan funds through a revolving program that began back in 1994. RCEC's Board of Trustees recognized that without a strong, local economy, the cooperative would not be able to maintain steady growth and continue to be successful. The Board directed management to utilize the rural development program through the United States Department of Agriculture. These loans and grants are geared toward projects which are designed to benefit the entire community by improving community services or infrastructure and enhance economic development and job creation projects in rural areas.

To date, RCEC has worked to obtain funding to make 6 loans totaling \$1,706,000.00. These loans assisted development and construction activities for a milk processing plant, a hospital, a peanut plant and a peanut butter plant.

RCEC and its Board of Trustees also believes in supporting our youth and has successfully given 796 students, \$1,230,500 in the form of scholarships to further their education. These monies come from donations, unclaimed capital credits and CoBank, a national cooperative bank who graciously contributes through their annual Sharing Success Program.

RCEC believes in energy conservation so much that they have entered into 120 energy conservation loans to their qualifying members, in the amount of \$1,224,576.64 since this program began. These loans are available at 3% interest for up to \$25,000.00 for a term of 120 months. They can be used for a variety of energy conservation measures but most commonly are requested for heat pumps, windows and doors. Members interested in learning more about this program can contact the cooperative to see if they qualify and what requirements there are to be eligible for these loan funds.

## CAPITAL CREDITS

As a member-owned, not-for-profit utility, any "profits" made by the cooperative are referred to as margins. At the end of each year, the margins are allocated to each member's patronage capital credit account in proportion to the amount of the electricity purchased after all statutory and reserve requirements are met. Year-end, net margins, once audited, are allocated into the patronage capital credit account until they are formally returned to the members. Until they

are actually paid-out to the members, these monies are put to work for the cooperative by minimizing debt financing and strengthening our financial position. Before distributing the patronage capital credits, our Board of Directors must first consider the financial condition of the cooperative and the needs for capital funds for the coming years. The patronage capital credit amount is determined by the board and is set at a level that maintains the financial integrity of the co-op. RCEC retired \$500,000 worth of patronage capital in 2021, paying the second allocation of 1994. After two years, all unclaimed capital credits are deposited into the Roosevelt County Electric Education Foundation for scholarship awards.

## EDUCATION PROGRAMS

RCEC started its education foundation in 1987. Money in the foundation is used to award scholarships for students to pursue an education from an accredited institution of higher learning. Members can donate to the education fund at any time and the co-op automatically deposits all unclaimed capital credits into the fund each year. Scholarships are allotted according to the amount of interest earned each year in accordance with IRS requirements in order to avoid penalties. This year we awarded 14 high school graduates with scholarships totaling \$72,000 and awarded 28 scholarships for Returning College Students totaling \$84,000. Therefore in 2022, \$156,000 will be awarded towards scholarships from year-end 2021 investment funds. To date, RCEC has awarded \$1,230,500 to 796 students.

RCEC also promotes education by participating in the Government-in-Action Youth Tour in Washington DC by sponsoring selected students for an all-expense paid week long education trip.

Once again due to the current Covid-19 pandemic and travel restrictions, RCEC Board of Trustees made the decision not to participate in the 2022 NRECA Youth Tour. RCEC plans to continue sponsoring students in the NRECA Youth Tour in the future. Students on the tour learn about electric cooperatives, American history and U.S. Government.

Additional education programs provided by the cooperative are electrical safety demonstrations to area elementary schools and farm safety programs, hosting arcing demonstrations and electrical safety for local area, first responders. Our passion to educate the general public and ensure that both adults and children within our community are aware of the hazards of electricity is a first and foremost priority.



# STATEMENTS OF INCOME

## CONSOLIDATED STATEMENTS OF INCOME, OTHER COMPREHENSIVE INCOME AND PATRONAGE CAPITAL FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Years Ended December 31,				
	2021		2020		Increase
	Amount	%	Amount	%	(Decrease)
OPERATING REVENUES					
Residential	\$ 5,057,391	28.5	\$ 4,846,893	28.4	\$ 210,498
Irrigation	5,191,918	29.3	5,452,590	32.0	(260,672)
Commercial and Industrial	7,055,127	39.8	6,725,443	39.5	329,684
Public Street and Highway Lighting	13,892	0.1	13,266	0.1	626
Other Electric Revenues	51,877	0.3	81,314	0.5	(29,437)
Change in Unbilled Revenue	(2,579)	0.0	4,560	0.0	(7,139)
Over (Under) Billed Power Cost	376,809	2.1	(94,207)	(0.6)	471,016
Total Operating Revenues	\$ 17,744,435	100.1	\$ 17,029,859	99.9	\$ 714,576
OPERATING EXPENSES					
Purchased Power	\$ 10,079,476	56.8	\$ 8,967,204	52.7	\$ 1,112,272
Transmission	113,719	0.6	40,883	0.2	72,836
Distribution - Operation	1,591,571	9.0	651,020	3.8	940,551
Distribution - Maintenance	1,165,888	6.6	1,063,709	6.2	102,179
Consumer Accounts	463,773	2.6	402,828	2.4	60,945
Customer Service and Information	144,685	0.8	124,031	0.7	20,654
Sales Expense	3,375	0.0	4,435	0.0	(1,060)
Administrative and General	1,229,326	6.9	1,123,970	6.6	105,356
Depreciation	2,114,613	11.9	2,044,900	12.0	69,713
Taxes	259	0.0	259	0.0	0
Other Interest	1,043	0.0	4,212	0.0	(3,169)
Other Deductions	6,265	0.0	3,650	0.0	2,615
Total Operating Expenses	\$ 16,913,993	95.2	\$ 14,431,101	84.6	\$ 2,482,892
OPERATING MARGINS - Before Fixed Charges	\$ 830,442	4.9	\$ 2,598,758	15.3	\$ (1,768,316)
FIXED CHARGES					
Interest on Long-Term Debt	1,001,549	5.6	1,085,090	6.4	(83,541)
OPERATING MARGINS - After Fixed Charges	\$ (171,107)	(0.7)	\$ 1,513,668	8.9	\$ (1,684,775)
Capital Credits	273,894	1.5	289,973	1.7	(16,079)
NET OPERATING MARGINS	\$ 102,787	0.8	\$ 1,803,641	10.6	\$ (1,700,854)
NON-OPERATING MARGINS					
Interest and Dividend Income	\$ 121,641	0.7	\$ 280,062	1.6	\$ (158,421)
Other Non-Operating Deficit	34,983	0.2	395	0.0	34,588
	\$ 156,624	0.9	\$ 280,457	1.6	\$ (123,833)
NET MARGINS	\$ 259,411	1.7	\$ 2,084,098	12.2	\$ (1,824,687)
OTHER COMPREHENSIVE INCOME					
Current Year APBO Valuation Adjustment	1,147,647		39,651		
Post-Retirement Benefit Amortization	2,000		29,179		
Unrealized Gain on Available-for-Sale Securities			129,242		
COMPREHENSIVE INCOME	\$ 1,409,058		\$ 2,282,170		
Adjustment for Other Comprehensive Income	(1,149,647)		(198,072)		
PATRONAGE CAPITAL - BEGINNING OF YEAR	20,779,588		19,197,410		
Transfer to Other Equities	(28,848)		(4,560)		
Patronage Capital Retired	(500,046)		(497,360)		
PATRONAGE CAPITAL - END OF YEAR	\$ 20,510,105		\$ 20,779,588		

The accompanying notes are an integral part of these consolidated financial statements.



# BALANCE SHEET

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2021 AND 2020

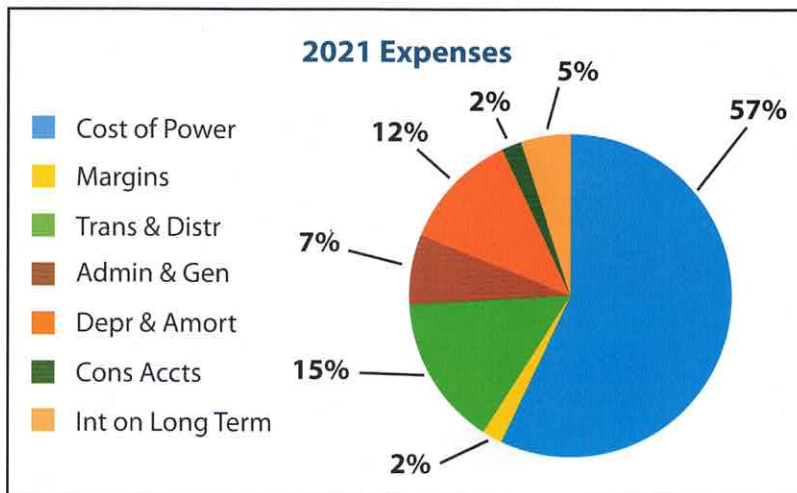
### ASSETS

	December 31,	
	2021	2020
UTILITY PLANT AT COST		
Electric Plant in Service	\$ 70,074,974	\$ 66,775,256
Construction Work in Progress	1,180,626	3,326,842
	\$ 71,255,600	\$ 70,102,098
Less: Accumulated Provision for Depreciation	26,897,531	25,966,772
	\$ 44,358,069	\$ 44,135,326
OTHER PROPERTY AND INVESTMENTS - AT COST OR STATED VALUE		
Investments in Associated Organizations	\$ 5,521,885	\$ 5,271,937
Available-for-Sale Investments	2,529,265	2,366,420
Other Investments	469,209	517,526
Other Special Funds	2,699,289	2,468,894
Post-Retirement Benefits - Plan Assets in Excess of Liability	2,511,083	1,274,145
	\$ 13,730,731	\$ 11,898,922
CURRENT ASSETS		
Cash - General	\$ 437,038	\$ 548,011
Temporary Cash Investments	2,648,144	483,609
Accounts Receivable (Less allowance for uncollectibles of \$50,382 in 2020 and \$43,704 in 2019)	2,080,595	2,252,639
Accrued Unbilled Revenue	112,211	114,789
Materials and Supplies	375,566	975,176
Other Current and Accrued Assets	1,014,857	144,694
	\$ 6,825,119	\$ 4,518,918
DEFERRED CHARGES	\$ 597,834	\$ 710,237
TOTAL ASSETS	\$ 65,511,753	\$ 61,263,403

### EQUITIES AND LIABILITIES

EQUITIES		
Patronage Capital	\$ 20,510,105	\$ 20,779,588
Other Equities	474,621	248,045
Other Comprehensive Income - Available-for-Sale Securities		197,729
Other Comprehensive Loss - Post-Retirement Benefits	501,800	(647,847)
	\$ 21,486,526	\$ 20,577,515
LONG-TERM DEBT		
RUS Mortgage Notes Less Current Maturities	\$ 8,594,682	\$ 9,155,258
FFB Mortgage Notes Less Current Maturities	26,146,146	22,028,454
CFC Mortgage Notes Less Current Maturities	1,952,076	2,153,702
USDA Grant Funds Payable	530,000	530,000
	\$ 37,222,904	\$ 33,867,414
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	\$ 1,460,000	\$ 1,236,000
CoBank Line of Credit	125,195	
Accounts Payable - Purchased Power	851,666	743,782
Accounts Payable - Other	582,689	830,406
Overbilled Power Cost		216,762
Consumers' Deposits and Prepayments	313,625	253,891
Accrued Employee Compensated Absences	285,029	249,959
Other Current and Accrued Liabilities	22,544	22,717
	\$ 3,640,748	\$ 3,553,517
DEFERRED CREDITS		
Deferred Renewable Energy Funds	\$ 2,708,236	\$ 2,572,991
Other Deferred Credits	453,339	691,966
	\$ 3,161,575	\$ 3,264,957
TOTAL EQUITIES AND LIABILITIES	\$ 65,511,753	\$ 61,263,403

The accompanying notes are an integral part of these consolidated financial statements.







Roosevelt County  
Electric Cooperative

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## ROOSEVELT COUNTY ELECTRIC COOPERATIVE, INC. OF BOARD OF TRUSTEES

*Officially invites you to join us at our*

### **2022 ANNUAL MEETING OF THE MEMBERS** **Monday, April 18, 2022**

ENMU Campus Union Ballroom  
Registration 5:30 p.m.  
Buffet meal 5:45 p.m.  
Business meeting 6:30 p.m.



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#### **ENTERTAINMENT**

By local favorite & RCEC Co-op member

**WILL BANISTER**

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### **ROOSEVELT COUNTY ELECTRIC COOPERATIVE**

121 N. Main Street, PO Box 389  
Phone: 575-356-4491 Fax: 575-359-1651  
[www.rcec.coop](http://www.rcec.coop)