



Thoughts from the General Manager/CEO

Making the decision to borrow money is never an easy one. Your Board undertook this matter early in 1999, and spent many hours discussing the pros and cons associated with this issue.

During the February board meeting, the 1999-2000 Two-Year Work Plan was presented and unanimously approved by the board. SGS Witter and Associates, out of Lubbock, Texas, presented the Work Plan. Cost for the work plan, which included projected line extensions, pole replacements, and system upgrades, was estimated by the firm to be \$5.3 million.

Another agenda item during the February board meeting was the consideration of capitalization for the 1999-2000 Two-Year Work Plan. (This is just a fancy way of saying we discussed how we are going to pay for the work that needed to be done during 1999-2000.) After discussing the option of raising rates, and discussing various interest rates and loans that were available, the board made the decision to borrow \$5.3 million from Rural Utility Services (formerly REA or the Rural Electrification Administration).

Let me assure you this decision was not made lightly.



Daniel G. Laws

While your board explored each and every available option, it was determined that borrowing money was in the best interest of the Cooperative. Interest rates on the RUS loan will be Treasury plus an eighth. Could you or I borrow money and expect to receive this low interest rate? Of course not. By borrowing the capital needed to make necessary improvements to the system, we will continue the concept born when Franklin D. Roosevelt enacted the Rural Electrification Administration (REA) back in 1936 to bring lights to rural folks. Low interest loans were made available to ensure that something as valuable as electricity was not just a privilege for the rich, but rather a basic necessity for living.

It is important for you to remember that Cooperatives are organizations owned by and

operated for the benefit of those using its services. I feel during these days of restructuring, consolidations and mergers, people sometimes miss the fact that they own their cooperative. They have a say as to how it is operated. The vote of a member who spends \$50 each month on electricity is just as important as the vote of an organization that spends \$500 each month!

In case you are wondering, we remain financially strong, and our residential rates are at a 12-year low. Wholesale power contract negotiations are still in progress, and these savings will continue to be passed directly to the members.

Hopefully by now, you have completed and returned the 2000 Member Involvement Survey. This is your opportunity to let us know if you have an interest in serving as a board member, advisory committee member, or on the nominating committee. We want you to have every opportunity to participate in the future of the cooperative, and remember...we are your **"Home Team Advantage"**.