
2023 ANNUAL REPORT

80TH ANNUAL MEMBERSHIP MEETING



Welcome to the 80th Annual Membership Meeting of the Steuben Rural Electric Cooperative. Please join us as we celebrate the 80th anniversary of the Cooperative.

I would like to present our members with the Steuben Rural Electric Cooperative 2023 Annual Report. The purpose of this report is to inform our membership on the status of your cooperative. The business meeting, which usually lasts about one hour, will proceed as presented in the agenda found on the last page. Directors for Districts 5, 7, and 8 are scheduled for election during this meeting and will be elected to serve a three-year term. Pork BBQ sandwich dinners will be available for those members that pre-ordered following the close of the business meeting and the raffle drawings. Each registered member will receive a \$30.00 credit on your November billing

statement upon registering and attending this year's meeting. Feel free to share your favorite memories or stories with your fellow members, directors, and employees.

Board President - James McCormick

STEUBEN RURAL ELECTRIC COOPERATIVE CELEBRATES 80 YEARS

President Franklin D. Roosevelt signed an executive order on May 11, 1935 creating the Rural Electric Administration (REA), a branch of the U.S. Department of Agriculture. The REA was formed to provide Federal loans for the construction of electrical distribution systems to serve isolated rural areas of the United States.

Steuben Electric Association, Inc. was formed under the Transportation Corporations Law in July of 1941 and converted to an electric distribution cooperative in May of 1942 with the filing of Articles of conversion under the Rural Electric Cooperative Laws of New York.

At the time the Articles of Conversion were filed, the Cooperative had 503 miles of line and 1,300 members. With the assistance of funds borrowed from the Rural Electrification Administration, now known as Rural Utilities Services (RUS), to build its electric lines, the first line was energized in 1944. Today, 80 years after energizing the first line, the Cooperative has 1,183 miles of line and serves 6,436 homes, farms, and small businesses.

Steuben Rural Electric Cooperative, Inc. and the Chautauqua-Cattaraugus Electric Cooperative, Inc. began discussing the possibility of merging in April of 1969 and the merger was completed in 1970, resulting in SREC becoming the largest of the four New York Cooperatives.

The directors and employees are proud to serve each Cooperative member, continue to practice the 7 Cooperative Principles and strive to achieve the mission statement.



MINUTES OF THE OCTOBER 14, 2023 ANNUAL MEETING

The 79th Annual Meeting of the Steuben Rural Electric Cooperative, Inc. was convened at the Canisteo-Greenwood High School, 84 Greenwood Street, Canisteo, New York and was live streamed to the Pine Valley Central High School, 7755 NY-83, South Dayton, New York on Saturday, October 14, 2023, as designated by the Bylaws, Article III, Meeting of Members, Section 1, Annual Meeting.

Call to Order: President McCormick called the meeting to order at 11:01 a.m.

Invocation: Pastor George Coon, of the Lindley Community Church, delivered the invocation.

Quorum: Attorney Paul Avery declared that a quorum was present. Two hundred and seventy members registered.

Introductions: President McCormick introduced the Board of Directors, Cooperative Attorney, and management employees: James McCormick, President, District 1; Janice Hoad, Secretary, District 2; Edward Borkowski, Director, District 3; Walter Longwell, Director, District 4; Gerald Chase Jr., Director, District 5; Gordon Foster, Treasurer, District 6; Robert Nichols, Vice-President, District 7; Randy Stankey, Director, District 8; William Moss, III, Director, District 9; Paul Avery, Cooperative Attorney; Bryant Dillon, General Manager; and Kristen Cleveland, Executive Secretary.

Special Guests: President McCormick introduced the special guests in the audience: Joe Sempolinski, former Congressman and current Chief of Staff for Assemblyman Joseph Giglio; Assemblyman Phil Palmesano; Brian Bell, CEO/General Manager of Oneida-Madison Electric Cooperative; Dan Saulsgiver, Secretary/Treasurer of Oneida-Madison Electric Cooperative; and William Moss, former Director of Steuben Rural Electric Cooperative.

Welcome: President McCormick welcomed the members and guests to the meeting and expressed how great it was to see all the members. He further stated this year we are live streaming the meeting to our Cherry Creek District Members at the Pine Valley Central High School in South Dayton.

Appreciation to Employees: President McCormick expressed his appreciation to the employees assisting at the meeting and appreciates everything they do to keep the Cooperative functioning smoothly and providing great service to our members.

Bill Credit Announcement: President McCormick announced the members who registered and attended today's meeting will receive a \$30.00 credit towards their electric bills, which will appear on their November billing statement.

Meeting Notice and Proof of Publication: Pursuant to the Bylaws, Article III, Section 3, Secretary Janice Hoad declared that the notice of the meeting, stating the place, day and hour and the purpose or purposes for which the meeting was called was mailed to all members at the United States Post Office in O'Fallon, Missouri on September 19, 2023.

Minutes of the October 15, 2022 Meeting: A motion was made, seconded, and adopted to waive the readings of the October 15, 2022 meeting minutes and accept them as published.

President's Report: President McCormick presented the President's report stating annual meetings are a unique opportunity for members to hear about the Cooperative's financial condition, current programs, and future outlook. The report highlighted the history of electric cooperatives and the business model that we have come to deeply appreciate and value; how powerful electric cooperatives are and how much electricity means to our daily lives; employees at the Cooperative playing a role in fulfilling our mission, which is providing low-cost, reliable electricity in the safest manner possible; the legislative issues affecting electric co-ops and their members; the push to decarbonize the electric grid and electrify major sectors of the economy; grid stability and safety concerns without the rapid advancement in technology; and patronage capital. In addition, Mr. McCormick stated the Cooperative continues to maintain a reasonable patronage capital cycle of 25-30 years which is typically matched with the life cycle of electric distribution infrastructure. On September 29, 2023, the Cooperative retired and paid over \$380,000 of member patronage capital. Mr. McCormick concluded by observing that there are many exciting things going on at the Cooperative, expressed his excitement to work alongside the Cooperative's great employees and members to see what this Cooperative will become.

General Manager's Report: Mr. Dillon presented the General Manager's report that included accomplishments over the past year and an outlook on where the Cooperative is heading in the future. The report highlighted updates concerning the Climate Leadership and Communities Protection Act (CLCPA). This legislation calls for 70% of New York's electricity to come from renewable sources by 2023 and 100% zero emissions by 2040. Furthermore, the CLCPA ambitiously targets an 85% reduction of greenhouse gas emissions, economy wide, by 2050; balancing the unpredictability of inflation with conservative financial and strategic planning to ensure that we

MINUTES OF THE OCTOBER 14, 2023 ANNUAL MEETING

continue our mission of providing members with safe, reliable, and cost-effective service; the possibility of rate adjustments in the near future; infrastructure upgrades, line relocations, and maintenance; vegetation management; and the Cooperative's reliability metrics for 2023. In conclusion, he states as the Cooperative moves into 2024, we will stay true to our plans for system upgrades and steadfast in our commitment towards a more reliable electric distribution system. Mr. Dillon thanked the employees and Board of Directors for their commitment to SREC's mission. He also thanked the members for the privilege of serving them.

Secretary and Treasurer Reports: A motion was made, seconded, and adopted to accept the 2022 Secretary and Treasurer reports as published.

Nominating Committee Minutes June 28, 2023: Attorney Avery read the Nominating Committee Report. The committee met on June 28, 2023, to select a slate of candidates for election to the Board of Directors in the districts scheduled for election.

Introduction of Candidates for Election to the Board of Directors: Attorney Avery introduced the candidates who were nominated for a three-year term to the Board of Directors: District 3: Urbana, Wayne, Bradford, Hornby and Orange – Edward Borkowski.; District 4: Bath – Walter Longwell; and District 6: Thurston, Campbell and Rathbone – Gordon Foster.

Nominations by Petition: Attorney Avery stated there were no director candidates brought forth by way of petition.

Close Nominations & Call for Vote: Attorney Avery called to close the nominations and call for vote for Districts 3, 4, and 6.

Election Results: Attorney Avery stated since there was no more than 1 candidate nominated in any 1 district, he called for a motion for the secretary to cast one ballot to elect the candidates for District 3,4, and 6 for a three-year term on the Cooperative's Board of Directors.

Attorney Avery called for and received a motion, and second to approve the nominated candidates for Districts 3, 4, and 6. The motion was adopted.

Attorney Avery declared Edward Borkowski, Walter Longwell, and Gordon Foster duly elected to the position of director for Districts 1, 4, and 6 respectively.

Attendance & Proxy Announcement: Mr. Avery stated there were 270 members in attendance and zero proxies received. Mr. Avery thanked all members for participating in this year's annual meeting and election of the current slate of directors.

Service Awards: Bryant Dillon, General Manager and James McCormick, Board President recognized the following employees for their years of service for 2023: Wade Nelson, Line Foreman, 35 years of service; Tracy Davis, Operations Assistant, 30 years of service; Robert Nichols, Director/Vice-President, 20 years of service; Janice Hoad, Director/Secretary, 15 years of service; and William Moss III., Director, 10 years of service.

Unfinished Business: President McCormick announced there was no unfinished business to bring before the membership.

New Business: President McCormick advised there was no new business to bring before the membership.

Adjournment: Mr. Dillon announced the chicken dinners will be distributed to those members who reserved dinners in the cafeteria following the adjournment of our meeting. In addition, he stated the drawings for the raffle and four mums will follow the adjournment of our meeting. Mr. Dillon called for and received a motion, and second to adjourn the meeting at 11:51 a.m. The motion was adopted.

Raffle Drawings: Mr. Dillon, General Manager announced the winners for the raffle drawings for the Milwaukee Cordless Power Tool Combo Kit, and the four mums in the Canisteo-Greenwood location. Katie Smith announced the winners for the raffle drawings in the Pine Valley location.

Respectfully submitted,

Janice L. Hoad
Secretary

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Steuben Rural Electric Cooperative, Inc.
9 Wilson Avenue
Bath, New York

Opinion

We have audited the financial statements of Steuben Rural Electric Cooperative, Inc., which comprise the balance sheet as of December 31, 2023, and the related statements of revenue and expenses, changes in members' equity, and cash flows for the year then ended, and the related notes to the infancial statements. The financial statements of Steuben Rural Electric Cooperative, Inc. as of December 31, 2022, were audited by other auditors whose report dated April 5, 2023 expressed an unqualified opinion on those statements.

In our opinion, the infancial statements present fairly, in all material respects, the financial position of Steuben Rural Electric Cooperative, Inc., as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Steuben Rural Electric Cooperative, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Steuben Rural Electric Cooperative, Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with *GAAS* and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with *GAAS* and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Steuben Rural Electric Cooperative, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Steuben Rural Electric Cooperative, Inc.'s ability to continue as a going concern for a reasonable period of time.

INDEPENDENT AUDITOR'S REPORT

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2024, on our consideration of Steuben Rural Electric Cooperative, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Steuben Rural Electric Cooperative, Inc.'s internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cooperative's internal control over financial reporting and compliance.

Fiore, Fedeli, Snyder, Carothers, LLP
State College, Pennsylvania
April 10, 2024

STATEMENT OF NONDISCRIMINATION

Steuben Rural Electric Cooperative, Inc., is an equal opportunity provider and employer. In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, domestic violence victim status, family/parental status, salary history, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident. Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202)720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800)877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found on-line at: http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

USDA is an equal opportunity provider, employer, and lender.



DIRECTOR & EMPLOYEE SERVICE AWARDS 2024

Ernie Jessup, Stores & Facilities Attendant - 35 Years of Service
Justin Young, Lineman 1st Class- 20 Years of Service
Bryant Dillon, General Manager - 10 Years of Service
Katie Smith, Senior Branch Office Clerk - 10 Years of Service
Richard Pendle, Crew Chief - 5 Years of Service
Susan Roche, Finance Manager - 5 Years of Service
Gerald Chase Jr., Director - 5 Years of Service

BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Electric Plant		
In Service - At Cost	\$55,280,530	\$52,392,550
Construction in Progress	<u>\$1,005,987</u>	<u>\$1,915,897</u>
Total Electric Plant	<u>\$56,286,517</u>	<u>\$54,308,447</u>
Less:		
Provision for Depreciation	\$21,028,573	\$20,641,580
Retirement Work in Progress	<u>(\$11,264)</u>	<u>(\$387,840)</u>
Subtotal	<u>\$21,017,309</u>	<u>\$20,253,740</u>
Total Electric Plant - Net	<u>\$35,269,208</u>	<u>\$34,054,707</u>
Other Assets		
Investments in Associated Organizations	<u>\$2,008,696</u>	<u>\$1,614,691</u>
Total Other Assets	<u>\$2,008,696</u>	<u>\$1,614,691</u>
Current Assets		
Cash and Cash Equivalents	\$761,007	\$873,790
Accounts Receivable - Net	\$1,611,591	\$1,697,160
Other Accounts Receivable	\$719,306	\$655,164
Inventory	\$827,216	\$491,849
Prepaid Expenses	<u>\$454,475</u>	<u>\$115,547</u>
Total Current Assets	<u>\$4,373,595</u>	<u>\$3,833,510</u>
Noncurrent Assets		
Other Regulatory Assets	\$814,694	\$1,047,460
Miscellaneous Deferred Debits	<u>\$32,549</u>	<u>\$40,143</u>
Total Noncurrent Assets	<u>\$847,243</u>	<u>\$1,087,603</u>
TOTAL ASSETS	<u>\$42,498,742</u>	<u>\$40,590,511</u>
<u>LIABILITIES AND MEMBERS' EQUITY</u>		
Members' Equity	<u>2023</u>	<u>2022</u>
Memberships	\$356,055	\$348,955
Patronage Capital	\$16,558,373	\$16,361,256
Other Equities	<u>\$2,254,635</u>	<u>\$2,122,976</u>
Total Members' Equity	<u>\$19,169,063</u>	<u>\$18,833,187</u>
Long-Term Debt - Net	<u>\$21,243,080</u>	<u>\$18,684,472</u>
Current Liabilities		
Long-Term Debt - Current Maturities	\$1,090,809	\$1,049,015
Line of Credit	\$0.00	\$0.00
Accounts Payable	\$355,933	\$1,349,311
Customer Deposits	\$16,115	\$18,985
Other Liabilities	<u>\$373,027</u>	<u>\$395,117</u>
Total Current Liabilities	<u>\$1,815,884</u>	<u>\$2,812,428</u>
Noncurrent Liabilities		
Other Postretirement Benefits	<u>\$270,715</u>	<u>\$260,424</u>
Total Noncurrent Liabilities	<u>\$270,715</u>	<u>\$260,424</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$42,498,742</u>	<u>\$40,590,511</u>

A copy of the full audit report may be obtained by contacting the Bath District Office.

**STATEMENTS OF REVENUE, EXPENSES & PATRONAGE CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
Operating Revenues	<u>\$11,134,725</u>	<u>\$12,225,653</u>
Operation and Maintenance Expenses		
Cost of Purchased Power	\$2,341,433	\$3,351,638
Distribution Expense - Operation	\$1,695,580	\$1,727,326
Distribution Expense - Maintenance	\$2,175,056	\$2,012,530
Customer Accounts Expense	\$537,997	\$589,986
Customer Service and Information Expense	\$162,214	\$156,770
Administrative and General Expense	<u>\$1,338,773</u>	<u>\$1,240,191</u>
Total Operation and Maintenance Expenses	<u>\$8,251,053</u>	<u>\$9,078,441</u>
Other Operating Expenses		
Depreciation Expense	\$1,401,602	\$1,345,794
Interest Expense - Long Term Debt	\$673,834	\$588,686
Interest Expense - Other	\$53,313	\$27,274
Miscellaneous Expenses	<u>\$159,431</u>	<u>\$163,633</u>
Total Other Operating Expenses	<u>\$2,288,180</u>	<u>\$2,125,387</u>
 Total Cost of Electric	 <u>\$10,539,233</u>	 <u>\$11,203,828</u>
Net Operating Margins	<u>\$595,492</u>	<u>\$1,021,825</u>
Non-Operating Margins		
Interest Income	\$70,390	\$31,055
Other Capital Credits and Patronage Dividends	\$63,335	\$51,406
Miscellaneous Non-Operating Income	<u>\$13,275</u>	<u>\$20,292</u>
Net Non-Operating Margins	<u>\$147,000</u>	<u>\$102,753</u>
Net Margins	\$742,492	\$1,124,578
Patronage Capital - Beginning	\$16,361,256	\$15,762,080
Less: Retirement of Patronage Capital	<u>(\$545,375)</u>	<u>(\$525,402)</u>
Patronage Capital - Ending	<u>\$16,588,373</u>	<u>\$16,361,256</u>

A copy of the full audit report may be obtained by contacting the Bath District Office.

NOMINATING COMMITTEE REPORT 2024

A meeting of the Nominating Committee was held at the main office of the Cooperative, 9 Wilson Avenue, Bath, New York on Wednesday, June 26, 2024 at 5:00 p.m.

The committee members present were Curt R. Williamson, District 1; Robert Spears, District 2; Melinda Morgan, District 5; Willard Caudill, District 6; Mary Ellen Baker, District 7; Patricia Bromley, District 8; and Nicholas D. France, District 9. Also, in attendance were James McCormick, Director/Board President and Kristen Cleveland, Executive Secretary. Absent was Carl Albers, District 4 and Brian Elliott, District 3.

Mr. McCormick welcomed everyone to the meeting and thanked them for taking time from their schedules to participate on the Nominating Committee.

A motion was made by Robert Spears and seconded by Patricia Bromley to elect Willard Caudill as a Committee Chair. The motion was adopted.

A motion was made by Melinda Morgan and seconded by Willard Caudill to elect Mary Ellen Baker as Recording Secretary. The motion was adopted.

The meeting was turned over to Willard Caudill to conduct the remainder of the nomination process.

The following candidates were nominated for a three-year term on the Cooperative's Board of Directors:

District 5 Nominee(s): Gerald S. Chase Jr.

District 7 Nominee(s): Robert V. Nichols

District 8 Nominee(s): Randy Stankey

A motion was made by Patricia Bromley and seconded by Robert Spears to accept the nominations for the districts scheduled for director election. The motion was adopted. The names of the nominees will be submitted to the General Manager for verification of district.

The Nominating Committee certified to the Board of Directors, as required by the Bylaws that they made a prudent effort to nominate at least two nominees from each district. A diligent search was made for candidates in Districts 5, 7, and 8 and they were able to find only one candidate willing to be nominated for the position of director from Districts 5, 7, and 8.

A motion was made by Melinda Morgan and seconded by Nicholas France to adjourn the meeting at 5:08 p.m. The motion was adopted.

Respectfully submitted,

Mary Ellen Baker
Recording Secretary

Please be sure to thank the members of the Nominating Committee for a job well done again this year. A great deal of time is spent and effort made to present appropriate candidates for the position of Director to the Steuben Rural Electric Cooperative, Inc.

District 1 - Curt R. Williamson, Greenwood, NY
District 2 - Robert Spears, Cameron, NY
District 3 - Brian Elliott, Savona, NY
District 4 - Carl W. Albers, Bath, NY
District 5 - Melinda Morgan, Woodhull, NY

District 6 - Willard A. Caudill, Cameron Mills, NY
District 7 - Mary Ellen Baker, Lindley, NY
District 8 - Patricia Bromley, South Dayton, NY
District 9 - Nicholas D. France, Forestville, NY

*Thank
You!*

DIRECTOR ELECTIONS - MEET THE BOARD CANDIDATES

Districts 5, 7, and 8 are scheduled for election for a three-year term on the Cooperative's Board of Directors. Your nominating committee met on June 26, 2024, and have nominated the following as candidates for your Board of Directors to be voted on at your Annual Meeting October, 19, 2024.

DISTRICT 5

Canisteo, Jasper,
Troupsburg, Woodhull



GERALD CHASE JR.

Mr. Chase and his wife, Judy, reside in the Town of Woodhull, New York. He has been a Cooperative member since 1984 and has served as a director since 2019. He retired as an RN Supervisor and the Army Nurse Corps with the rank of Major with 22 years of service.

Mr. Chase graduated from Alfred University with a degree in Nursing and Elmira College where he obtained an MS in Adult Education.

Mr. Chase attends Victory Highway Wesleyan Church. He is a lifetime member of NRA, American Legion, and DAV. Mr. Chase obtained his Credentialed Cooperative Director (CCD) certification from NRECA.

Gerald and Judy have five children and six grandchildren.



DISTRICT 7

Addison, Erwin, Corning,
Tuscarora, Lindley



ROBERT V. NICHOLS

Mr. Nichols and his wife, Susan, reside in the Town of Tuscarora and operate a dairy farm with their son Dan. He has been a Cooperative member for 50 years, a Board Director since 2003, and currently serves as Vice-President.

Mr. Nichols is a graduate of Addison High School, Corning Community College, and Cornell University. He currently serves as a Steuben County Legislator, Town of Tuscarora Supervisor, and President of the Addison Milk Cooperative. Mr. Nichols is a member of the Addison Fish & Game Club, lifetime member of NRA, board member of the Steuben Soil & Water District, and member & past deacon of the Tuscarora Baptist Church.

Robert and Susan have five children and eighteen grandchildren.

DISTRICT 8

Cattaraugus County



RANDY STANKEY

Mr. Stankey and his wife, Brenda, reside in the Town of Leon. He has been a Cooperative member for 49 years, and he has been a member of the Board of Directors since 2016.

Mr. Stankey is a graduate of Pine Valley High School and Alfred State College. As a member of Carpenters Local for 36 years, Mr. Stankey worked at West Valley Disposal and Niagara Mohawk. In addition, he was foreman for Benchley Construction at the Nestle Plant in Dunkirk.

Since retiring, Randy has enjoyed motorcycling, snowmobiling, and watching high school sports. Most importantly, he enjoys spending time four-wheeling with his family and grandchildren.





Janice Hoard
Secretary



REPORT OF THE SECRETARY 2023

Last year's Annual Meeting was held at the Canisteo-Greenwood High School in Canisteo, New York, and live-streamed to the Cherry Creek members at the Pine Valley Central School in South Dayton, New York on October 14, 2023. Total attendance was 270 members. There were no proxies submitted. The directors elected to three-year terms were Edward Borkowski, District 3 (Urbana, Wayne, Bradford, Hornby & Orange); Walter Longwell, District 4 (Bath); and Gordon Foster, District 6 (Thurston, Campbell & Rathbone). The Board held regular, committee, and special meetings, according to the Bylaws of the Cooperative.

As of January 1, 2023, there were a total of 5,364 active members representing 6,408 active metering points. For the period January 1, 2023 through December 31, 2023, the Cooperative had 65 new connects and 31 service retirements/new idle services. The Board accepted 284 new memberships during 2023. The Cooperative ended 2023 with a total of 5,383 active members and 6,442 active meters. All membership records and minutes from all meetings are up-to-date and on file at the office. We welcome suggestions from the members on any item of Cooperative affairs.

REPORT OF THE TREASURER 2023



Gordon Foster
Treasurer

You have been provided with excerpts from the independent auditor's report on our financial Statements for the years ended December 31, 2023 and 2022. The Cooperative's operating revenues in the financial statements decreased 8.9% from \$11,264,449 in 2021 to \$12,225,653 in 2022. The decrease in operating revenues was, in large part, due to higher energy costs during 2022, compared to 2023. Energy costs are a direct pass through from our provider. This decline in purchased power cost resulted in a significant decline in amounts billed and revenue collected. Operations and maintenance expenses, figured into the total cost of electric decreased 8.2% from \$9,078,441 to \$8,251,053. Again, the lower energy prices in 2023 resulted in the decline in the total cost of electricity. Controllable operating expenses, which include operations and maintenance expenses, less the cost of purchase power, were held to 3.19% growth from year to year. Overall net margins for the 2023 year were down \$382,086 from 2022. The net margin from 2023 was allocated to members, in the form of patronage capital, in May of 2024 based on their proportionate share of revenues contributed to the Cooperative. During 2023 year, the Cooperative maintained its commitment to the timely retirement of patronage capital to our membership. Patronage capital retirement amounted to \$545,375 in 2023.

NOMINATIONS

It shall be the duty of the Board of Directors to appoint, not less than forty-five (45) days nor more than one hundred twenty (120) days before the date of the meeting of the members at which directors are to be elected, a committee on nominations consisting of not less than five (5) nor more than nine (9) members who shall be selected from different sections of the project area so as to insure equitable representation.

No member of the Board of Directors or any relative of a director may serve on such committee. The committee, to provide equitable representation, shall prepare and post at the principle office of the Cooperative, at least twenty (20) days before the meeting a list of nominations for directors. The committee shall make a prudent effort to nominate at least two (2) nominees from each district of the Cooperative scheduled for election. In the event that less than two (2) nominees are nominated by the committee, the committee shall certify to the Board of Directors that a diligent search was made for candidates and that less than two (2) persons were found who were willing to be nominated for the position of director from that district.

Any fifteen (15) or more members acting together may make nominations by petition not less than fifteen (15) days prior to the meetings, and the Cooperative shall post such nominations, under the direction of the Secretary of the Board of Directors, at the same place where the list of nominations made by the committee is posted. Under the direction of the Secretary of the Board of Directors, the Cooperative shall mail with the notice of the meeting or separately, but at least seven (7) days before the date of the meeting, a statement of the number of directors to be elected and the names and addresses of candidates specifying separately the nominations made by petition, if any. Additional nominations made by petition shall be for the respective districts scheduled for election. The nominee in each district receiving the highest number of votes cast shall be deemed elected to the Board of Directors.

BOARD OF DIRECTORS

OFFICERS



JAMES MCCORMICK
PRESIDENT
DISTRICT 1



ROBERT NICHOLS
VICE PRESIDENT
DISTRICT 7



JANICE HOAD
SECRETARY
DISTRICT 2



GORDON FOSTER
TREASURER
DISTRICT 6

DIRECTORS



EDWARD BORKOWSKI
DISTRICT 3



WALTER LONGWELL
DISTRICT 4



GERALD CHASE JR
DISTRICT 5



RANDY STANKEY
DISTRICT 8

DIRECTOR QUALIFICATIONS



WILLIAM MOSS III
DISTRICT 9

In order to be elected to the Board as a Director, candidates must meet the following qualifications (see Bylaws, Article IV Directors, Section 2 Qualifications & Tenure): Directors shall be elected by ballot at each annual meeting of the members, by and from the members, to serve until the third succeeding annual meeting of the members or until their successor shall have been elected and shall have qualified. No person shall be eligible to become or remain a director or to hold any position of trust in the Cooperative who: (A) Is not a member and bona fide resident of the district within the Cooperative for which the director was elected to serve; (B) Is in any way employed by or financially interested in a competing enterprise or a business selling electric energy, equipment or supplies to the Cooperative; (C) Is an employee of the Cooperative or has been an employee of the Cooperative within five (5) years from the date of the annual meeting at which the nomination will come to a vote; (D) Is unable to read, write and speak in the English language; (E) Is not able to enter into a legally binding contract; (F) Is a convicted felon; (G) Has had bills owed to the Cooperative delinquent for more than ninety (90) days within the past two (2) years.

ADDRESS

Bath District
9 Wilson Avenue Bath, NY, 14810
Phone: 607-776-4161
Phone: 800-843-3414

Cherry Creek District
5966 South Rd, Cherry Creek, NY, 14723
Phone: 716-296-5651
Phone: 800-883-8236

ANNUAL MEETING AGENDA

1. CALL MEETING TO ORDER AT 11:00 AM JAMES MCCORMICK
2. INVOCATIONPASTOR GEORGE COON
3. PLEDGE OF ALLEGIANCE JAMES MCCORMICK
4. NO SMOKING ANNOUNCEMENT JAMES MCCORMICK
5. FIRE EMERGENCY ANNOUNCEMENT JAMES MCCORMICK
6. CELL PHONE REMINDER JAMES MCCORMICK
7. PROOF OF QUORUM ROBERT TYSON, ESQ
8. INTRODUCTIONS OF DIRECTORS/MANAGEMENT JAMES MCCORMICK
9. SPECIAL GUEST INTRODUCTIONS JAMES MCCORMICK
10. WELCOME MESSAGE JAMES MCCORMICK
11. APPRECIATION TO EMPLOYEES JAMES MCCORMICK
12. BILL CREDIT ANNOUNCEMENT JAMES MCCORMICK
13. MEETING NOTICE AND PUBLICATION JANICE HOAD
14. APPROVAL OF MINUTES OF 2023 MEMBERSHIP MEETING JAMES MCCORMICK
15. PRESIDENT’S REPORT JAMES MCCORMICK
16. GENERAL MANAGER’S REPORTS BRYAN DILLON
17. SECRETARY & TREASURER REPORTS JAMES MCCORMICK
18. NOMINATING COMMITTEE REPORT ROBERT TYSON, ESQ
19. ELECTION OF DIRECTORS ROBERT TYSON, ESQ
20. NOMINATIONS BY PETITION ROBERT TYSON, ESQ
21. CLOSE NOMINATIONS ROBERT TYSON, ESQ
22. CALL FOR VOTE & ELECTION RESULTS ROBERT TYSON, ESQ
23. ATTENDANCE AND PROXY ANNOUNCEMENT ROBERT TYSON, ESQ
24. EMPLOYEE SERVICE AWARDS BRYANT DILLON/JAMES MCCORMICK
25. UNFINISHED BUSINESS JAMES MCCORMICK
26. NEW BUSINESS JAMES MCCORMICK
27. ADJOURNMENT BRYANT DILLON
28. RAFFLE DRAWING BRYANT DILLON