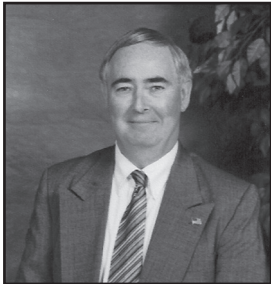




A Touchstone Energy Cooperative 

76th Annual Membership Meeting

October 2020 Newsletter



James McCormick
President

We recognize the annual meeting is a special time for our members to gather, listen to reports from the General Manager and President, and elect board members. Unfortunately, the annual meeting format many of you have come to know will be altered this year due to the COVID-19 pandemic and our interest in maintaining the health and well-being of our members and employees.

Although the meeting will not be held in its traditional format, we will still hold our business meeting on October 21st at 4:30 p.m. The meeting will include a minimal number of people to minimize any possibility of health risks. Those in attendance will consist of the Board of Directors, minimal number of Cooperative employees and the Cooperative Attorney. As such, a quorum will not be present and will necessitate adjourning the meeting until a later date or until the next annual meeting, whichever is earlier in accordance with the procedures set forth in the Cooperative's Bylaws.

Members are encouraged to submit questions they may have concerning the Cooperative to the Bath or Cherry Creek offices. All questions will be answered by the General Manager on an individual basis.

As a token of appreciation for your understanding of the situation we all face with regard to holding the Annual Meeting, the Board of Directors would like to offer you the opportunity to purchase a chicken barbeque prepared by Stearns Poultry Farm (for the Bath District) and Weidner BBQ (for the Cherry Creek District) and receive an informational packet containing all reports listed above. Cooperative employees and directors will be stationed at our Bath and Cherry Creek offices on Saturday, October 17, 2020 from 11:00 a.m. to 2:00 p.m. where they will distribute the packets and meals in a responsible manner and in accordance with State guidelines. Members will be required to reserve their dinners, using the coupon found in this publication, and select the location they will pick up their dinner and information packet. A \$5.00 credit will be issued to November's billing statements for members upon receiving your dinners and informational packets. Only one \$5.00 credit per membership and one membership per vehicle.

OFFICIAL NOTICE

In accordance with Article III, Section 7 of the Bylaws, this Annual Meeting newsletter serves as your Official Notice of the October 21, 2020 Annual Meeting of the Steuben Rural Electric Cooperative, Inc.

Information packets containing all reports will be available at the Bath and Cherry Creek Offices prior to the date of the meeting and can be mailed upon request.

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DIRECTOR CANDIDATES FOR ELECTION 2020—2023

District 3

Towns of Urbana, Wayne,
Bradford,



Joseph Hauryski

Mr. Hauryski currently resides in Bradford, New York. He has been a member of the Cooperative for 16 years and has served on the Board of Directors since 2005 and held the office of Secretary of the Board for 10 years.

He is a graduate of Campbell Savona Central School, obtained his AAS Degree from Alfred State College and his BS Degree from Ohio State University.

He is a member of the St. Stanislaus Church in Bradford and the Bath Elks Lodge. He retired from the USDA in 2004 and served on the Steuben County Legislature for twelve years from 2008 to 2019 and was Chairman from 2010 to 2019.

District 4

Town Bath



Gary Brockway

Mr. Brockway and his wife, Barbara, reside in Savona, New York and have been Cooperative members since 1996. He has been a member of the Board of Directors since 2010 and currently serves as Treasurer.

He obtained his degree in Business Administration from Alfred and was employed at the Steuben County Department of Social Services, retiring in 2005, following 30 years of service.

He is a past member of the Avoca Volunteer Fire Department and Ambulance Corp as well as having served as Deputy Mayor of the Village Board. He also served as Deputy Mayor for the Savona Village Board. Gary is a long time communicant of Church of the Good Shepherd Episcopal Church in Savona where he has served on the Executive Committee for 20 years.

District 6

Towns of Thurston, Camp-
bell, Rathbone



Gordon Foster

Mr. Foster resides in Thurston, New York and has been a member of the Cooperative for 54 years. He has served on the Board of Directors since 1982 and as President for 15 years. He is an active participant with the NYSRECA Statewide organization.

He obtained his AAS Degree in Engineering Sciences from Alfred Agricultural and Technical College and was employed with Corning, Inc. for 40 years as a Technologist until retiring in 2005.

Mr. Foster manages a 750-acre replacement farm in Risingville and has served as Thurston Town Assessor for 48 years.



A Touchstone Energy Cooperative 

DIRECTOR QUALIFICATIONS

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) Who has had bills owed to the Cooperative delinquent for more than ninety (90) days within the past two (2) years.

CERTIFICATION OF THE NOMINATING COMMITTEE

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 scheduled for election and were able to find only one candidate willing to be nominated for the position of director from Districts 3, 4, and 6.

NOMINATIONS

Additional nominations can be made for Board seats using the following procedure (Bylaws, Article IV, Directors, Section 3, Nominations:)

Any fifteen (15) or more members acting together may make other nominations by petition not less than fifteen (15) days prior to the meeting, 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 nomination made by the committee is posted. Under the direction of the Secretary of the Board of Directors, the Cooperative shall mail with notice of the meeting or separately, but a 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 the candidates, specifying separately the nomination made by petition, if any. Additional nominations made by petition shall be for the respective districts scheduled for election.

VOTING PROCEDURES

Typically in-person voting would take place during the business portion of the annual meeting.

Members registering for the meeting would receive an official ballot at the time of registration.

Members not able to attend the meeting could elect to vote by proxy after having received a proxy from the main office and providing said proxy to the member appointed to represent the member unable to attend the meeting.

The Cooperative's Bylaws require a quorum of 50 members in order to conduct any business and/or elections at any meeting of the members. Because this year's meeting format will not allow for a quorum, voting on director elections for Districts 3, 4, and 6 will be postponed until the adjourned date or next annual meeting, whichever is earlier. The Directors for Districts, 3, 4, and 6, when elected, will serve the remaining portion of the three year term that will expire in October 2023.

STEUBEN RURAL ELECTRIC COOPERATIVE, INC. & SUBSIDIARY
CONSOLIDATED STATEMENT OF REVENUES, EXPENSES & PATRONAGE CAPITOL

December 31

	<u>2019</u>	<u>2018</u>
Operating Revenues	\$ 10,999,696	\$11,879,411
Operation and Maintenance Expenses		
Cost of Purchased Power	2,383,029	2,653,694
Power Production Expense	172,378	736,859
Distribution Expense - Operation	1,879,114	1,654,631
Distribution Expense - Maintenance	1,680,824	1,775,038
Customer Accounts Expense	445,881	491,324
Customer Service and Information Expense	116,068	128,620
Administrative & General Expense	<u>1,366,559</u>	<u>1,408,279</u>
Total Operation and Maintenance Expenses	<u>8,043,853</u>	<u>8,848,445</u>
Other Operating Expenses		
Depreciation Expense	1,650,361	1,651,787
Interest Expense - Long-Term Debt	795,495	787,595
Interest Expense - Other	13,944	13,365
Miscellaneous Expenses	<u>113,736</u>	<u>4,787</u>
Total Other Operating Expenses	<u>2,573,536</u>	<u>2,457,534</u>
Total Cost of Electric	<u>10,617,389</u>	<u>11,305,979</u>
Net Operating Margins	<u>382,307</u>	<u>573,432</u>
Non-Operating Margins		
Interest Income	46,443	28,386
Other Capital Credits and Patronage Dividends	37,809	51,193
Miscellaneous Non-Operating Income	<u>5,097</u>	<u>5</u>
Net Non-Operating Margins	<u>89,349</u>	<u>79,584</u>
Net Margins	471,656	653,016
Patronage Capital Beginning	14,696,820	14,628,963
Less - Retirement of Capital Credits	<u>(489,099)</u>	<u>(585,159)</u>
Patronage Capital - Ending	<u>\$ 14,679,377</u>	<u>\$14,696,820</u>

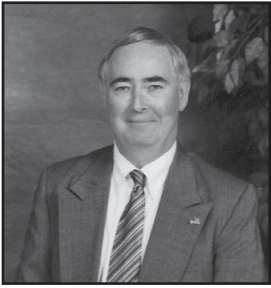
A COPY OF THE FULL AUDIT REPORT
CAN BE OBTAINED BY CONTACTING
THE BATH DISTRICT OFFICE

STEBEN RURAL ELECTRIC COOPERATIVE, INC. & SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

	December 31	
	<u>2019</u>	<u>2018</u>
Electric Plant		
In Service - At Cost	\$ 55,431,652	\$ 55,111,640
Construction in Progress	<u>344,738</u>	<u>419,559</u>
Total Electric Plant	55,776,390	55,531,199
Less:		
Provision for Depreciation	23,016,906	21,963,886
Retirement Work in Progress	<u>(3,081)</u>	<u>(67,142)</u>
Subtotal	<u>23,013,825</u>	<u>21,896,744</u>
Total Electric Plant - Net	<u>32,762,565</u>	<u>33,634,455</u>
Other Assets		
Investments in Associated Organizations	<u>1,992,808</u>	<u>1,203,435</u>
Total Other Assets	<u>1,992,808</u>	<u>1,203,435</u>
Current Assets		
Cash and Cash Equivalents	730,961	1,730,804
Accounts Receivable - Net	1,605,645	1,875,503
Other Accounts Receivable	1,713,100	812,975
Inventory	493,805	443,489
Prepaid Expenses	<u>357,964</u>	<u>116,068</u>
Total Current Assets	<u>4,901,475</u>	<u>4,978,839</u>
Non-Current Assets		
Other Regulatory Assets	522,638	659,182
Miscellaneous Deferred Debits	<u>88,824</u>	<u>12,723</u>
Total Non-Current Assets	<u>611,462</u>	<u>671,905</u>
TOTAL ASSETS	<u>\$ 40,268,310</u>	<u>\$ 40,488,634</u>
<u>LIABILITIES AND MEMBERS' EQUITIES</u>		
Members' Equity:		
Memberships	\$ 326,605	\$ 318,780
Patronage Capital	14,679,377	14,696,820
Other Equities	<u>1,751,668</u>	<u>1,636,264</u>
Total Members' Equity	<u>16,757,650</u>	<u>16,651,864</u>
Long-Term Debt - Net	<u>19,877,593</u>	<u>20,464,552</u>
Current Liabilities:		
Long-Term Debt - Current Maturities	1,508,407	1,555,968
Line of Credit	872,000	200,000
Accounts Payable	389,651	599,888
Customer Deposits	39,830	44,730
Other Liabilities	<u>619,951</u>	<u>743,122</u>
Total Current Liabilities	<u>3,429,839</u>	<u>3,143,708</u>
Noncurrent Liabilities		
Other Postretirement Benefits	<u>203,228</u>	<u>228,510</u>
Total Noncurrent Liabilities	<u>203,228</u>	<u>228,510</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$40,268,310</u>	<u>\$40,488,634</u>

BOARD OF DIRECTORS



James McCormick
President
District 1



Robert Nichols
Vice-President
District 7



Janice Hoad
Secretary
District 2



Gary Brockway
Treasurer
District 4



Joseph Hauryski
District 3



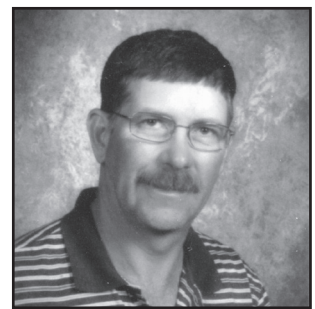
Gerald Chase, Jr.
District 5



Gordon Foster
District 6



Randy Stankey
District 8



William Moss, III
District 9

STATEMENT OF NONDISCRIMINATION

Steuben Rural Electric Cooperative 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, domestic violence victim status, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital 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 basis 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 online 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 of 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: US Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-8410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.



RESERVE YOUR CHICKEN DINNER FOR PICK-UP ON OCTOBER 17, 2020

AND RECEIVE

A COOPERATIVE INFORMATION PACKET

TOGETHER WITH \$5 BILL CREDIT

As a token of the Cooperative's appreciation for member understanding of the necessity of having to revise the traditional format of the Annual Membership Meeting this year, the Board of Directors will be providing members the opportunity to reserve a chicken dinner to be picked up at the Bath or Cherry Creek offices.

The pickup locations are located on the reservation form included in this newsletter and members must provide the pickup location they will be using when submitting the reservation form together with payment for the dinners. Dinner reservations may be made for members, their spouse or companion, and children residing in the household.

Upon arrival at the specified location, members will be asked to provide identification and dinner tickets. Members will then be provided their reserved dinner(s) in a responsible and safe manner in accordance with New York State guidelines. No dinners will be available for pick up without purchasing tickets prior to the event.

In addition to the above, upon pick-up/registration/identification, a \$5.00 credit will be applied to the members' November billing statement. Only one \$5.00 credit allowed per membership and one membership per vehicle.

Be sure to submit the reservation form no later than **OCTOBER 9, 2020.**

CHICKEN DINNER RESERVATION

\$3.00 PER PERSON

MENU

One-Half Barbecued Chicken

2 Sides, Roll & Butter

Catered by Stearn's Poultry Farm, Alfred Station, NY (Bath District)

Weidner BBQ, Eden, NY (Cherry Creek District)

REMINDER

- 1. **Pick up Location available from 11:00 a.m. to 2:00 p.m. ONLY on Saturday, October 17, 2020**

Bath Office 9 Wilson Avenue, Bath, NY _____

Cherry Creek Office 5966 South Rd., Cherry Creek, NY _____

- 2. The barbecue is limited to members and their spouse or companion and children living at home.

- 3. Reservation deadline **October 9, 2020**

NAME _____

ACCOUNT NO. _____

NO. DINNERS AT \$3.00 EACH _____

TOTAL DUE: \$ _____



MEMBER QUESTIONS/CONCERNS YOU WOULD LIKE ADDRESSED BY COOPERATIVE PERSONNEL

Due to the unusual structure of this year's meeting, and circumstances beyond our control, members may find they would like additional information concerning certain reports or have questions in general.

Please feel free to submit your questions, in writing to the Bath or Cherry Creek offices using this form. The form should be submitted prior to the deadline for reservations (10/09/2020) and can be mailed to the Cooperative at 9 Wilson Avenue, Bath, NY 14810 or 5966 South Rd., Cherry Creek, NY 14723; or emailed to lhead@steubenrec.com. Each question will be reviewed and answered on an individual basis or in future editions of *The Energizer*. The form is also available on our web-site www.steubenrec.coop/content/annualmeeting.

Name _____ Account No. _____

