



GM'S REPORT

EXERCISING YOUR RIGHT TO VOTE

Trustee elections open through June 18



Dan McNaul
GENERAL MANAGER

At Firelands Electric Cooperative, we are governed by a board of nine trustees. Elected by the membership, these trustees are also co-op members, just like you, who provide strategic guidance to ensure that Firelands continues to serve the best interests of all member-owners. As you consider whom to cast your ballot for in the current election of those representing districts 1, 3, and 6, let's take a moment to reflect on the importance of voting and the role of a Firelands trustee.

As a member of Firelands Electric, you have the right — some may even say the obligation — to help set the direction for the co-op by voting in Firelands' annual trustee elections. Unlike customers of investor-owned utilities, you have a direct say in who represents your interests on the board and in how your cooperative does business. The trustees you elect are then responsible for making decisions regarding the operation of the co-op that best reflect the needs of their fellow members.

Examples of these decisions include:

- Approving the annual budget for the co-op.
- Determining the cooperative's rate schedules and fees.
- Examining and approving major work plans for ongoing maintenance and improvement of the cooperative's distribution system.
- Monitoring the financial condition of the cooperative.
- Establishing policies.

The board of trustees is also charged with providing solutions that maintain the vibrancy of our local communities. Being a co-op board member requires a significant commitment of time and effort and those selected should want to make a substantial contribution to the membership and the community.

It is critically important that we hear your voice and the voices of a large and diverse group of members. Through active engagement and participation of the membership in the election process, the co-op can ensure it is leading in a direction that is right for both the members and the co-op.

At Firelands, we try to make it as convenient as possible for members to participate in the election process by offering both mail-in and electronic ballots. In early May, every member received a paper ballot, which can be returned in the postage-paid envelope provided. If you've misplaced your ballot, or prefer an electronic option, you can also securely cast your vote online by visiting <https://firelandsec.coopballot.com>.

**Ballots must be received by
Firelands' independent service provider
by 11:59 p.m. on June 18.**

As a locally owned organization, Firelands Electric has the opportunity to rekindle the spirit of democracy at the grassroots level. We encourage discussion about the role we see our co-op playing in our homes, businesses, and community — and we urge you to vote and make your voice heard!



CO-OP NEWS

A ROUND OF APPLAUSE

Firelands Electric Cooperative celebrates milestones for several trustees



Dan Schloemer
DISTRICT 1 TRUSTEE
BOARD PRESIDENT

DAN SCHLOEMER, DISTRICT 1 —

Elected to the board in June 2008, Dan is celebrating 15 years of serving Firelands Electric's members this month. In mid-2017, he was selected by fellow board members to fill the role of board secretary/treasurer. Later that year, Dan was elected to his current position as board president. Recently retired from Croghan Colonial Bank, Dan has more than 40 years of experience in the business and financial management industry. Before his retirement, he served as an executive vice president and chief lending officer for Croghan.

As a board member, Dan is grateful for the opportunity to work with Firelands' dedicated trustees, management, and

employees to provide the best possible service for cooperative members. Looking toward the future, Dan believes that cooperatives should continue to be mindful of the adoption rate of electric vehicles (EVs). "The number of EVs is accelerating and co-ops need to be prepared," Dan says. "It's essential that our distribution system and infrastructure are ready to meet members' needs."

Dan and his wife, Debbie, live in the Willard area and spend much of their free time with their six grandchildren. He also enjoys working on projects with his family and in his yard.



John Martin
DISTRICT 9 TRUSTEE

JOHN MARTIN, DISTRICT 9 —

Elected to the board in June 2018, John has held the position of Firelands Electric trustee for five years. He has a diverse background, including 37 years with CSX railroad, six years in the U.S. Navy, and ten years as a councilman for the Village of New London. John also served as the mayor of New London for four years.

John's favorite aspect of being a Firelands board trustee is interacting with the cooperative's members about their needs and concerns, including renewable energy sources, legislation, and the financial impact of the current economy. John also feels that EVs represent one of the electric industry's biggest challenges. "Meeting the potential power demands of the growing number of EVs is something electric co-ops will continue to need to address," John says.

John and his wife, Melissa, live in the New London area. The couple enjoys spending time with their three children and spoiling their grandchildren. John also likes to garden, fish, and support the local Boy Scout chapters.



GENE LAMOREAUX, DISTRICT 2, AND TOM LUCHA, DISTRICT 3 —

Gene (top right) and Tom (bottom left) recently completed the Credentialed Cooperative Director certification through the National Rural Electric Cooperative Association (NRECA). This 5-course program focuses on honing the governance and fiduciary skills essential for trustees who serve as representatives of their cooperative membership. Board President Dan Schloemer presented both trustees with their certificates during the board meeting held on March 28.

BUILDING A
STRONG
Legacy

FOR A
POWERFUL
Tomorrow

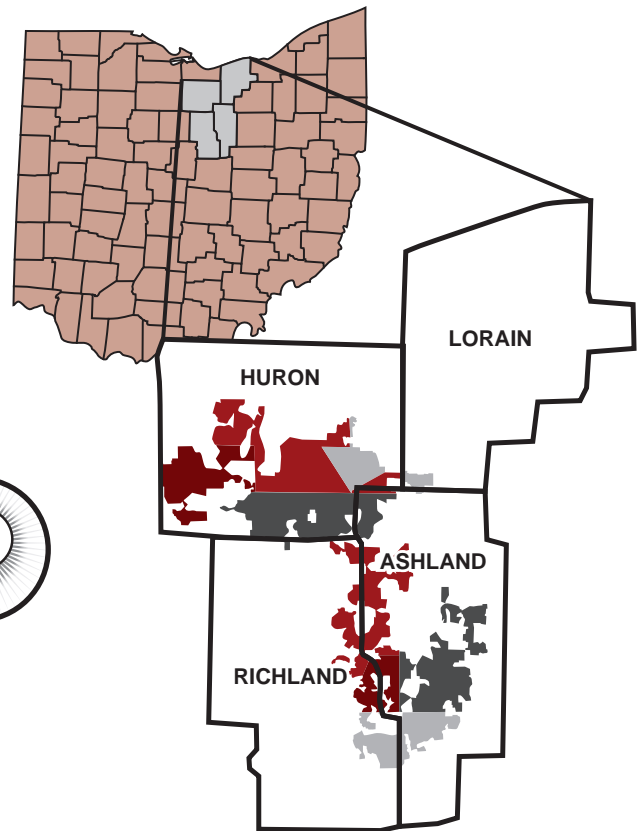


**Firelands
Electric**
COOPERATIVE
A Touchstone Energy® Cooperative

ABOUT *firelands*

Firelands Electric, a Touchstone Energy Cooperative, is a member-owned, not-for-profit electric utility serving more than 9,200 homes and businesses in rural areas of Ashland, Huron, Lorain, and Richland counties that ranks among the highest energy utilities in the country for customer satisfaction.

The electric distribution utility is headquartered in New London, Ohio. Firelands Electric and its employees are local, accountable, and committed. We are accessible to our consumer-owners around the clock and communicate primarily through our people, bolstered by technology.



9,710 SERVICES IN PLACE



9,233 MEMBERS-OWNERS

997 MILES OF ENERGIZED LINE

9.73 MEMBERS PER MILE

4 COUNTIES SERVED

30 EMPLOYEES (27 FULLTIME)

by the numbers

31 *townships*
in 4 counties



2023 OFFICIAL

meeting notice

JUNE 24, 2023

Please join us for Firelands Electric Cooperative's 85th annual meeting event to be held on Saturday, June 24, at the Ashland University Myers Convocation Center.

Please join us for a complimentary hot breakfast buffet for members and their immediate families. All members are welcome and encouraged to attend the business meeting, but seating for the hot breakfast is limited, so be sure to RSVP.

Official annual meeting registration cards will be mailed in late May.



Members must bring their registration card with them on June 24 to receive a \$10 bill credit applied to their August electric bill.

They will also receive a complimentary membership bag and gift, and be entered in special prize drawings. Winners must be present to win.

Firelands Electric will also be collecting pop tabs for the Ronald McDonald House of Akron at the cooperative's annual meeting. Please bring a container or resealable plastic bag filled with pop tabs and help make a difference.

RSVP BEFORE JUNE 12

Seating is limited for the hot breakfast buffet, so your reservation must be submitted before Monday, June 12, 2023. Complete your reservation online at www.firelandsec.com/annual-meeting-members OR by contacting Firelands Electric's office at 1-800-533-8658.

MISSION STATEMENT

Improving the quality of life of our members by delivering reliable electric service at competitive prices, following the Seven Cooperative Principles, while supporting the communities where our members live and work.



85th Annual Meeting of Members

SATURDAY, JUNE 24

ASHLAND UNIVERSITY

MYERS CONVOCATION CENTER
638 JEFFERSON ST, ASHLAND, OH 44805

REGISTRATION BEGINS AT: 8:30 A.M.

BREAKFAST SERVED: 8:30 – 9:15 A.M.

BUSINESS MEETING: 9:15 – 10:15 A.M.

MEMBER PRIZE DRAWINGS: 10:15 – 10:30 A.M.

BUILDING *for the future*

MESSAGE FROM MANAGEMENT

Firelands Electric is pleased to announce that 2022 was another successful year for your cooperative. Thanks to the diligent efforts of management and employees, we finished the year with strong margins. These margins are being allocated and \$1 million in general retirement will

be returned to members' capital credits accounts in August, which is equivalent to the amount retired the previous year. Since 1948, Firelands Electric has returned nearly \$20 million in capital credits back to its membership — which is one of the many benefits of a not-for-profit electric cooperative.



Dan McNaul
General Manager

Your cooperative's board of trustees, management, and employees are striving to keep the company's controllable costs at the lowest levels possible, while continuing to maintain and improve our distribution system to ensure safe, reliable, and affordable power.



Dan Schloemer
District 1 Trustee
Board President

Significant increases in the cost of doing business over the past three years have been a challenge, especially with the rate of inflation and rising material costs. This resulted in a necessary rate adjustment to the monthly distribution charge and kilowatt-hour (kWh) charge that was reflected on the January 2023 bill. Rest assured, Firelands Electric will continue to make every effort to keep rising costs from further affecting our members.

Firelands' rates remain very competitive with other area suppliers and electricity remains a truly outstanding value, especially when you consider everything it does for us every minute of the day.

Each day, the cooperative strives to do everything possible to keep the lights on to ensure the safety and security of everyone in our community. Firelands has also established a long-range work plan that extends out to 2045, which will further strengthen our distribution grid and address substation upgrades. These improvements will help to meet growing power loads and kilowatt-hour demand — **BUILDING A STRONG LEGACY FOR A POWERFUL TOMORROW.**

Enhancing reliability continues to be a primary goal for Firelands Electric Cooperative. Management and crews are actively working on the cooperative's current construction work plan, which extends through 2025 and entails nearly \$12 million in improvements, with more than a million dollars dedicated to prioritizing lines with the highest incidents of outages. Increasing capacity and resilience of substation interconnection tie-lines is a priority in keeping our service steadfast.

SMARTHUB

**55.7% OF MEMBERS USE
THE COOPERATIVE'S SMARTHUB
APP TO RECEIVE NOTIFICATIONS
ABOUT OUTAGES, BILLING, AND
PEAK ALERTS.**

FOCUSED ON *reliability*

Firelands Electric and its employees are local, accountable, and committed. We are accessible to our consumer-owners around the clock and use people to communicate. The cooperative values personal contacts and relationships with members, and all of our employees strive to provide immediate response to outages.

From linemen and operation crews working in the field to office personnel advising members on the efficient use of technology or assisting those experiencing financial hardship or reduction of income, every employee is dedicated to serving our members.

A major component of Firelands' commitment to reliability is the cooperative's right-of-way maintenance program. In 2022, this included 238.5 miles of brush-hogging, trimming, and necessary tree removals at a cost of more than \$860,000. Much of this work was completed throughout portions of Green Township in Ashland County; Hartland Township in Huron County; and Mifflin and Monroe townships in Richland County.

The cooperative's right-of-way maintenance program has traditionally been on a 4-year rotation. With a goal of 331 miles of regular right-of-way maintenance in 2023, Firelands plans to move toward a 3-year rotation in certain areas of the cooperative's service territory.

In 2022, the cooperative completed multiple line rebuild projects to replace aging conductors, poles, and equipment to better serve increased load capacity. More than 3,000 utility poles were inspected in Ashland, Huron, and Richland counties — followed by the replacement of any deficient poles.



OUTAGE CAUSES

34.84% SQUIRRELS,
SMALL ANIMALS, AND BIRDS

19.46% TREES

9.05% LIGHTNING

UTILITY POLES

3,002 INSPECTED

26 REPLACED

OUTAGES

107 AVERAGE MINUTES
PER MEMBER*

**Excludes major storm outages
and transmission events.*

BOARD OF *trustees*

The board of trustees, elected by the membership, oversees the general manager, sets company policy, and monitors the finances of the cooperative. They receive education and training to help better serve the membership.



Sitting (l-r): President Dan Schloemer, District 1 ; Vice President Bruce Leimbach, District 4; Secretary/Treasurer Carl Ayers, District 5.

Standing (l-r): John Martin, District 9; Kevin Reidy, District 6; Rob Turk, District 7; Gene Lamoreaux, District 2; Tom Lucha, District 3; Elaine Oswald, District 8.

Dan McNaull
General Manager



Don Englet
Director of Operations



Tabi Shepherd
Director of Finance
& Accounting



Zach Collins
Line Superintendent



Andrea Gravenhorst
Director of
Communications & IT



Shelley Magyar
Director of
Human Resources

management



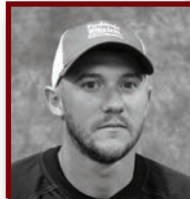
... AND THE *cooperative*



Robert Shepherd
Journeyman
Lineman



Chris Kent
Apprentice
Lineman



Jake Willbond
Apprentice
Lineman



Tracy Gibb
Communications &
Member Relations
Specialist



April Hicks
Operations
Assistant



Matt Whiteside
Apprentice
Lineman



Rick Bowers
Lead Lineman



Stephanie Schmidt
Consumer Services
& AMI Coordinator



Melissa Zacharias
Accounting Clerk



Zach Hart
Groundman



Ken Keener
Meter Technician



Julie Amato
Billing
Representative



Cindy Thompson
Accountant



James Miller
System Right-of
Way Coordinator



Jake White
Apprentice
Lineman



Rob Swiger
Engineering
Operations
Coordinator



Jessica Schwanger
Part-Time
Consumer Services
Representative



Evan Clemons
Lead
Lineman



Josh Kirk
Groundman



Bob Stokes
Contracted
Energy Advisor



Dave Sumpter
Lead
Lineman



Phil Pickering
Lead Lineman



Melissa Wilson
Engineering &
Operations Data
Coordinator



Jennifer Stevens
Part-Time Office
Services Assistant

employees

SERVING *the community . . .*

COMMUNITY ENGAGEMENT

Concern for community is another way the electric cooperative distinguishes itself as more than just a power company. After nearly two years of COVID restrictions, Firelands was thrilled to get back into the community by participating in various parades and events, and providing safety education and demonstrations throughout the cooperative's local communities.

SCHOLARSHIPS

\$10,500

IN SCHOLARSHIPS
WAS AWARDED TO 11
CHILDREN OF MEMBERS,
INCLUDING ONE CAREER
SCHOLARSHIP.

OPERATION ROUND UP

Members supporting Operation Round Up
contributed more than

\$46,600

to the People Fund in 2022. Since 1995, the
People Fund has awarded nearly

\$1.3 MILLION

to individuals and organizations within our
local communities to help with special needs
in Ashland, Huron, and
Richland counties.



AMERICAN CONSUMER SATISFACTION INDEX SCORE

88

**This is 17.85% higher than the
average of other utilities nationwide.*



CAPITAL CREDITS

\$1,264,470

WAS RETURNED TO
CURRENT AND FORMER
MEMBERS IN 2022



REBATES & INCENTIVES

326 APPLIANCE REBATES WERE
AWARDED FOR A TOTAL OF

\$38,424

PAID TO MEMBERS OVER THIS
PAST YEAR.*

**Cost is shared with Buckeye Power.*

RENEWABLE ENERGY

292

SOLAR PANELS HAVE BEEN
SOLD TO RESIDENTIAL MEMBERS
PARTICIPATING IN FIRELANDS'
COMMUNITY SOLAR PROJECT,
OURSOLAR, WHICH WAS
EXPANDED THIS PAST YEAR.*

**This is in addition to the 36 members
who have solar panels installed at
their residence or business, which are
interconnected to the cooperative's
distribution system.*

EMPLOYEE FUNDRAISING



A TRADITION FOR
NEARLY 20 YEARS,
FIRELANDS' EMPLOYEE-
DRIVEN FUNDRAISING
INITIATIVES DONATED

\$3,230

TO MORE THAN A
DOZEN CHARITIES
AND LOCAL FAMILIES
IN 2022.

FINANCIAL health

COMPARATIVE BALANCE SHEET FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

UTILITY PLANT

Electric plant in service
Construction work in progress

Less: Accumulated provision for
depreciation and amortization

Net Utility Plant

NON-CURRENT ASSETS

Investments in associated organizations
Deferred charges

Total Non-Current Assets

CURRENT ASSETS

Cash and cash equivalents
Accounts receivable, consumers and
other, less allowance for doubtful
accounts of \$249,145 (\$237,838 in 2021)
Materials and supplies
Accrued utility revenues
Other current and accrued assets

Total Current Assets

Total Assets

MEMBERS' EQUITIES

Memberships
Patronage capital
Other equities

Total Members' Equities

NON-CURRENT LIABILITIES

Long-term debt

CURRENT LIABILITIES

Current portion of long-term debt
Accounts payable
Consumer deposits
Accrued taxes
Other current and accrued liabilities

Total Current Liabilities

Total Members' Equities & Liabilities

	2022	2021
\$	54,943,851	\$ 52,802,653
	1,897,399	2,486,928
	56,841,250	55,289,581
	(19,568,612)	(18,215,646)
	37,272,638	37,073,935
	10,025,275	10,067,770
	87,266	196,083
	10,112,541	10,263,853
	1,258,570	2,138,192
	1,763,052	1,695,935
	581,211	275,508
	473,201	451,382
	37,435	34,867
	4,113,469	4,595,884
\$	51,498,648	\$ 51,933,672

\$	25,768	\$ 27,118
	22,982,156	22,846,405
	2,059,378	1,941,983
	25,067,302	24,815,506
	22,373,829	23,412,490
	1,074,603	1,153,768
	1,434,398	1,083,120
	329,836	308,826
	824,303	773,952
	394,377	386,010
	4,057,517	3,705,676
\$	51,498,648	\$ 51,933,672

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STATEMENTS OF REVENUE & EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
OPERATING REVENUE	\$ 22,116,905	\$ 21,015,886
OPERATING EXPENSES		
Cost of power	12,825,852	12,206,041
Distribution expense – operations	1,256,117	1,259,835
Distribution expense – maintenance	2,236,491	1,809,826
Consumer accounts	858,153	829,897
Administrative and general	1,339,726	1,132,778
Depreciation and amortization	1,709,636	1,653,767
Taxes	531,889	533,182
Total Operating Expenses	20,757,864	19,425,326
Operating margins before fixed charges	1,359,041	1,590,560
Interest on long-term debt	782,478	807,929
Operating margins after fixed charges	576,563	782,631
Patronage capital assigned by associated organizations	676,816	682,985
Net Operating Margins	1,253,379	1,465,616
NON-OPERATING MARGINS		
Interest income	36,118	27,055
Gain on sale of assets	–	16,408
Other income (expense)	(18,151)	(26,760)
Total Non-Operating Margins	17,967	16,703
Net Margins for Period	\$ 1,271,346	\$ 1,482,319
PATRONAGE CAPITAL & OTHER EQUITY		
Net Margins	\$ 1,271,346	\$ 1,482,319
Beginning of Year	22,846,405	22,413,575
Subtotal	24,117,751	23,895,894
Retirement of Capital Credits and Other Adjustments (Net)	(1,135,595)	(1,049,489)
Patronage Capital & Other Equities End of Year	\$ 22,982,156	\$ 22,846,405

MARGINS & EXPENSES

EQUITY

The accounts of your cooperative for the years ended December 31, 2022 and 2021, have been audited. The auditor's complete report is on file at the office of the cooperative and is available for inspection by the members of the cooperative.



- Power cost – 56¢
- Operations/maintenance – 15¢
- Depreciation – 7¢
- Administrative – 6¢
- Margins – 6¢
- Consumer, accounting, and sales – 4¢
- Interest – 3¢
- Taxes – 2¢

HOW EACH DOLLAR WAS SPENT IN 2022



since 1936

Firelands
Electric

COOPERATIVE

A Touchstone Energy® Cooperative 

Firelands Electric Cooperative, Inc.
103 Industrial Drive
P.O. Box 32
New London, OH 44851

1-800-533-8658
www.firelandsec.com

Office Hours
Mon.–Fri. 7:30 a.m.–4 p.m.

YOUTH PROGRAMS



Education helps shape the leaders of tomorrow. That's why Firelands Electric includes it as one of our seven core principles. The A Team is a cooperative program designed to encourage students in their pursuit of academic excellence. Students in grades 6 to 8 are invited to participate and be recognized for their hard work and dedication to education.

ACADEMIC EXCELLENCE

Winners of April drawing receive Amazon gift cards



Stephen Wilttrout
Hillsdale Middle School
Son of Brice and Sarah Wilttrout



Cody Anderson
Mapleton Middle School
Son of Josh and Georgia Anderson

Send us your grade card and win!
The next drawing will be held on July 10.

How you can win

Students in grades 6–8 who have a minimum of three A's on their most recent report card and whose parents or guardians are members of Firelands Electric Cooperative are eligible to apply. A copy of the report card should be submitted by mail to Attn: The A Team, Firelands Electric Cooperative, P.O. Box 32, New London, OH 44851. Report cards may also be emailed to members@firelandsec.com.

Be sure to include the student's name, school, grade, address, phone number, parents' name(s), and email address on your entry.

Complete program details are also available at www.firelandsec.com/team.



Ady Stevens
South Central Middle School
Daughter of Chris and Mindy Stevens



COOPERATIVE UPDATE

BOARD MEETING *highlights*

Firelands Electric Cooperative's Board of Trustees met March 28 and covered the following items:

- Board President Dan Schloemer reported that the cooperative received 25 membership applications for approval by the board.
- General Manager Dan McNaull reviewed the petitions that had been filed for the 2023 trustee elections.
- Trustees nominated members for the Credentials Committee for the upcoming elections. Dan Schloemer appointed Dennis Rees; Gene Lamoreaux appointed Gary Hunter; Tom Lucha appointed Steve Gray; Bruce Leimbach appointed John Noss; Carl Ayers appointed Kevin Hahn; Kevin Reidy appointed Steve Willeke; Rob Turk appointed Steve Taylor; Elaine Oswald appointed Dave Seiss; and John Martin appointed Richard Murr. All nominations were accepted.
- The board reviewed an OEC Statistical Report issued in September 2022 and reported on how the cooperative compared to others in the state.
- McNaull advised the board of the upcoming NRECA Legislative Conference in Washington, D.C., which he and Director of Operations Don Englet would be attending.

- The board reviewed the cooperative's 2022 audit. BHM CPA Group, who conducted the audit, reported it was a clean audit and that no issues were found.
- Englet reviewed recent projects in the operations department, including the planned widening of a portion of State Route 545 by the Ohio Department of Transportation and the progress on AEP's construction of the new 69kV line in New London.
- The board discussed amounts for a potential retirement of capital credits.
- Director of Finance and Accounting Tabi Shepherd reviewed the February financials and reported on recent accounting and billing department activities.
- Director of Communications and Technology Andrea Gravenhorst reported on recent activities involving the member services and IT departments. McNaull commended Gravenhorst on a high score in the co-op's recent assessment with the Rural Electric Cyber Advancement Program.

The cooperative's next board meeting is scheduled for Tuesday, June 27. If you would like to attend the next scheduled meeting, please contact the Firelands Electric office at 1-800-533-8658.

FIRELANDS ELECTRIC COOPERATIVE, INC.

OUTAGE HOTLINE

1-800-533-8658

OFFICE

103 Industrial Drive
P.O. Box 32
New London, OH 44851
1-800-533-8658

OFFICE HOURS

Mon.-Fri. 7:30 a.m.-4 p.m.
www.firelandsec.com



BOARD OF TRUSTEES

Dan Schloemer
President, District 1

Bruce Leimbach
Vice President, District 4

Carl Ayers
Secretary/Treasurer, District 5

Elaine Oswald
District 8

Tom Lucha
District 3

Gene Lamoreaux
District 2

John Martin
District 9

Kevin Reidy
District 6

Rob Turk
District 7

GENERAL MANAGER

Dan McNaull

HAVE A STORY SUGGESTION?

Email your ideas to:
members@firelandsec.com

Firelands
Electric
COOPERATIVE
A Touchstone Energy® Cooperative 