

NEWS



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For Immediate Release:

POWERING PEOPLE FOR 85 YEARS

Firelands Electric Cooperative holds 83rd annual meeting of members online

6/22/21, NEW LONDON, OH — Firelands Electric held its annual meeting on Saturday, June 19, in a virtual format similar to what the cooperative used last year.

Unfortunately, for planning and communication purposes, Firelands' final decision regarding annual meeting had to be made at the end of April. At that time, gatherings the size of the co-op's meeting were still restricted, so the decision was made to use a virtual platform.

Firelands Electric's annual meeting was conducted as a video broadcast. Members participated by streaming video or calling a toll-free phone number for an audio-only option. Members who missed the live broadcast can watch the meeting on Firelands Electric's YouTube page at https://youtu.be/cyg_1vUZ3wU. Links are also available on the cooperative's website and Facebook page.

This year, Firelands Electric recognized how the cooperative has been powering people for 85 years. "We are celebrating the 85th anniversary of when a small group of farmers formed what is now Firelands Electric Cooperative," said Board President Dan Schloemer. Strong leadership over the past eight-and-a-half decades has laid a strong financial foundation, and instilled a culture of caring and service to the cooperative's members and their communities.

"Although we are unable to meet face-to-face, Firelands Electric wants to be sure its members are still able to stay informed of their cooperative's financial health, operations, and plans for the future," said Schloemer. "While we wish we could see everyone in person, we look forward even more to our 2022 membership event that can be held at our cooperative's facility.

Members learned Saturday that they re-elected Gene Lamoreaux of Greenwich, Rob Turk of Perrysville, and John Martin of New London to represent districts 2, 7, and 9, respectively, on the co-op's board of trustees. In 2019, members voted to change the code of regulations to allow voting online or by mail. This has resulted in more than double the number of participating voters by the cooperative's membership when compared to before the change.

As part of the cooperative's celebration of 85 years, members participating in the 2021 virtual annual meeting were entered for a chance to win one of three \$85 bill credits. Randomly selected were winners David Bailey of New London, Mark Banks of Ashland, and Joyce Ritchie of New London. These members will receive an \$85 credit on their July electric bill.

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President Schloemer reported that 2020 was a year for implementing new ways to get the job done. Employees worked hard to maintain their service levels safely amidst a global pandemic. Firelands Electric also waived late charges and other fees to aid those impacted by COVID-19, costing the cooperative roughly \$100,000 in reduced revenue and added expense.

In 2020, the cooperative invested over \$2.7 million in its electrical distribution system. Recognizing the need to maintain reliability and efficiency, capital expenditures of over \$16.5 million have been made over the past 5 years. While this included some of the construction of the co-op's new facility, the majority actually went toward the basics, such as poles, lines, and substations.

Despite disruptions caused by the pandemic, Firelands Electric maintained another strong year financially. Margins exceeded more than \$1.5 million, which was an increase over the previous year. These strong margins allow the cooperative to continue to upgrade the reliability of its distribution system, pay down long-term debt, and improve service. Solid margins also allowed the investment that members have put into the cooperative to be paid back to them in the form of capital credit retirements.

"A general retirement of \$900,000 was approved by the cooperative's board of trustees this year, which includes a portion of margins earned in 1999 and 2000. Members having credits allocated from those years will see their capital credits applied to their August electric bill.

In his report, General Manager Dan McNaull said that the cooperative's emphasis continues to be on projects that will enhance reliability, power quality, and safety for Firelands Electric's members and employees.

2020 seemed to have had more than its share of challenges in the form of a pandemic, economic distress, and community shutdowns. Last year also involved severe windstorms and rainstorms that brought what the co-op viewed as a pandemic of electric outages, especially in Ashland and Richland counties.

In an effort to reduce this unacceptable number of tree-related outages, Firelands Electric is planning to accelerate its annual tree trimming programs in certain areas by a full year — trimming after 3 years instead of the normal 4-year rotation. This enhanced tree trimming plan is also being expanded to include the removal of selected, questionable trees that are outside of our normal right-of-way. The cooperative's board of trustees authorized an additional one million dollars for these line improvements in areas most affected by storm outages.

"Annual tree-trimming expenditures are very costly, but are viewed as an investment in future reliability for our members and to protect our electrical lines and equipment," said McNaull.

Firelands Electric is launching its 2021 4-year construction work plan, which includes 11 million dollars of upgrades. This work is an important step in maintaining and strengthening the co-op's distribution grid. It will replace many of the oldest and most vulnerable lines in selected areas from west of Greenwich to New London and south of Perrysville. The cooperative's work plan will nearly finish a long-term substation tie-line rebuild program, completing over 11 miles of three-phase lines located in some very rugged terrain in the Lucas-Perrysville area. Funds are also allocated to construct a secondary transmission feed to the New London area, as well as a line replacement project near Bailey and Spring lakes, in Ashland County.

McNaull discussed the impact of 2020's events on the electrical industry throughout the state and nation. Entering the post-COVID era is bringing many new challenges. Firelands Electric is starting to see shortages of equipment, supplies, and materials. Inflation is starting to creep into prices of durable goods used on the electrical distribution system. The cooperative is presently experiencing delays of up to 6 months on orders for certain transformers and other large items. Firelands' construction and tree-contractors are also having difficulties hiring enough workers, which is causing their projects to take longer and cost more.

The cooperative's board of trustees and management continually assess and monitor 10-year financial forecasts, taking into consideration revenue, ongoing expenses, and inflation. "In spite of our major line construction projects and increasing maintenance costs, present forecasts show no rate increases should be needed for at least two years," McNaul announced.

In wrapping up the meeting, McNaul said that 2020 was a year of accomplishments, challenges, and changes. "As we all know, 2021 has started out with even more challenges and changes," he said. "Our cooperative's outstanding group of employees are a dedicated, industrious, and intelligent group of workers who take their jobs very seriously — understanding that they are here to serve the members. Each one of them are always willing to go above and beyond, whether called upon for a long night of storm response or a special project with a short deadline. As the general manager, I am truly blessed to work with them."

Firelands Electric Cooperative, A Touchstone Energy Cooperative, is a member-owned, not-for-profit electric utility serving more than 9,100 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. Visit the cooperative's website, www.firelandsec.com, [Facebook page](#) and [Twitter feed](#), to learn more about reliable and affordable power.

PHOTO CAPTIONS:



(Above) – Board President, District 1 Representative Dan Schloemer addresses members during Firelands Electric’s annual meeting was conducted as a video broadcast on June 19.



(Above) – General Manager Dan McNaull emphasis continues to be on projects that will enhance reliability, power quality, and safety for Firelands Electric’s members and employees.



(Above) – Board Trustee Kevin Reidy, representing District 6, led participants in the Invocation during Firelands Electric Cooperative’s 83rd annual meeting.



(Above) – Board Trustee Tom Lucha, representing District 3, led the group in the Pledge of Allegiance during the cooperative’s June 19 virtual event.

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