



IN THE COMMUNITY

Cooperative holds dedication and open house event

On Saturday, April 27, over 200 people attended Firelands Electric's dedication and open house event at the co-op's new facility. Located at 103 Industrial Drive in New London, the building sits on 15 acres within the Village of New London and has both a 12,180-square-foot office and a 22,800-square-foot warehouse.



Members of the community took self-guided tours of the new facility. Guests also viewed electrical safety demonstrations, checked out hands-on energy efficiency displays, and enjoyed planned children's activities. The cooperative provided sandwiches, hot dogs, chips, cookies, ice cream, and other refreshments.

Guests had an opportunity to view the cooperative's 50-kilowatt community solar array, consisting of

152 (335-watt) panels, which are a generation resource currently being offered to the members under Firelands Electric's OurSolar program. Those who attended were also able to check out the future of the automotive industry. Local resident Dave Bailey displayed his Tesla Model 3 electric car during the cooperative's open house and answered any questions guests had regarding the vehicle.

Members also received free gifts and registered to win several prizes. Winners of the prize drawings included

Continued on page 20



Above: Line Superintendent Zach Collins, left, and Journeyman Lineman Rick Bowers, right, perform a power line safety demonstration during the cooperative's April 27 open house.

Top right: Firelands Electric member Dave Bailey's Tesla Model 3 electric car was on display throughout the day.

Bottom right: Firelands Electric Cooperative held a dedication ceremony for its new facility prior to the open house on April 27. Pictured, left to right, are Firelands General Manager Dan McNaul, Ashland Chamber of Commerce President Barbie Lange, Firelands Board Officer Carl Ayers, Firelands Board President Dan Schloemer, and Firelands trustees W.E. Anderson and Kevin Reidy.





FIRELANDS ELECTRIC COOPERATIVE LOCAL PAGES

Continued from page 19

Stacy Smith of New London, who won a 50-inch Vizio Smart TV. Mary Fries of Willard and Jim Ropp of Ashland both won \$100 bill credits.

Firelands Electric Board President Dan Schloemer and General Manager Dan McNaul unveiled a dedication plaque for the new facility and noted that the new facility was built for one purpose — to serve the cooperative's members. "This building is a commitment to the fine members and the community," said McNaul. "It was built to serve many generations of Firelands Electric members."

Additional photos of the new cooperative facility and the open house are available on Firelands' Flickr page at www.flickr.com/photos/firelandsec/albums/.



Lead Lineman Fred Hartman, above, performs a safety demo at the children's station during the co-op's open house. At left, Energy Advisor Scott Carbary helps a member review heating and cooling system options.



OUR GROWING COMMUNITY

Firelands Electric Cooperative is getting a new neighbor.

In mid-October, University Hospitals (UH) broke ground in New London for a new healthcare facility. The 3,500-square-foot building will house a 1,700-square-foot urgent care, leaving 1,800 square feet of space for future growth. Located on Main Street, the building is just to the south of Firelands' new facility.

On April 17, Firelands crews installed the permanent electric service at UH's new facility. The large, pad-mounted transformer needed to service the urgent care is 150 KVA — which is ten times the size of the pole transformer found on the average home.

UH's urgent care is expected to be open for business sometime this summer.



Lead linemen Phil Pickering and Rob Swiger, journeyman linemen Chris Rowland and Evan Clemons, and new groundmen Matt Whiteside and Chris Kent recently installed a transformer at University Hospitals' new urgent care facility, which is located next to the cooperative in New London.

CO-OPS & COMMUNITIES

Grow Together



Firelands
Electric
COOPERATIVE

Your Touchstone Energy® Partner 

2018

Annual Report



2018 REPORT FROM THE PRESIDENT AND GENERAL MANAGER



Dan Schloemer, President
BOARD OF TRUSTEES

Firelands Electric Cooperative is pleased to announce that 2018 was a very successful year. Thanks to management and employees, we were able to finish the year with margins — the money left after bills have been paid — totaling \$1.7 million. We will be refunding over \$1 million in capital credits to our members this year. Since 1948, Firelands Electric has refunded over \$15.3 million in capital credits back to its membership, which is just one of the many benefits of being a co-op member.

Our primary focus continues to be reliability, technology, and increased communications — especially after the completion of the cooperative's new facility.

NEW COOPERATIVE FACILITY

After two years of planning and construction, on Jan. 17, Firelands Electric Cooperative moved into its new all-in-one facility, which is located on 15 acres

within the Village of New London. The new building consists of a 12,180-square-foot office and 22,800 square feet of warehouse space, which replaces the co-op's former three inefficient buildings.

The cooperative's board of trustees worked with general contractor Janotta & Herner, based in Monroeville, to build a long-lasting structure that will serve Firelands

Electric and its membership for many years to come. The new facility incorporates LED lighting, energy-efficient heat pumps in the office, radiant floor heating in the warehouse, foam insulation, and other innovative technologies — including an advanced IT network infrastructure.

The new location offers a convenient drive-thru window and payment drop box for members and improved security and storage space for employees. It also includes an onsite 50-kilowatt community solar array consisting of 152 (335-watt) panels. The solar panels were energized in September 2018 and are a generation resource currently being offered to the co-op's membership under its OurSolar program.

"This wonderful new building is a commitment to the fine members and the community. Its efficient design and ample space will serve many future generations of Firelands Electric members," says General Manager Dan McNaul.

TOP-RANKING MEMBER SATISFACTION

In keeping with our commitment to providing outstanding service, we are proud that Firelands Electric ranks among the top energy utilities in the country in customer satisfaction. According to the 2018 American Customer Satisfaction Index, on a zero-to-100 scale, your cooperative scored 87. That's above the combined average among Ohio's electric cooperatives, as well as above the national average for investor-owned energy utilities and municipal energy utilities.

SERVICE RELIABILITY AND OPERATIONS

Firelands Electric works hard to reach its goal of 100% reliability by patrolling electric lines and trimming trees spanning across 995 miles of line in 28 townships and five counties. The continued focus on vegetation maintenance, brush cutting, trimming, and necessary tree removal has reduced the number and frequency of outages — improving service quality for all cooperative members.

In pursuing greater reliability, the cooperative's right-of-way



Dan McNaul
GENERAL MANAGER

maintenance program completed 215 miles of brush hogging, cutting, trimming, and necessary tree removals in 2018. Much of this work was completed in Green and Mifflin townships in Ashland County, along with Mifflin and Monroe townships in Richland County. Crews also completed vegetation management at Pleasant Hill Lake Park in the Muskingum Watershed Conservancy District, and worked on line rebuild projects in some areas.

In 2018, crews upgraded nearly seven miles of power lines in Huron and Ashland counties. Firelands Electric completed work on a 3.2-mile stretch of three-phase line around the Village of New London, in addition to nearly a mile of line that will provide backfeeding capabilities for the New London Recreation Park and other areas. The cooperative inspected 2,427 utility poles in Huron County, replacing 53 poles found to be deficient since last inspected in 2008.

The NASA Orion project included the replacement of 53 structures in Fitchville, Greenwich, and Hartland townships in Huron County. This project was necessary to gain proper clearance to transport the module, and will also improve reliability for members located in those areas.

MEMBER SERVICES AND COMMITMENT TO THE COMMUNITY

In 2018, the cooperative continued to enhance its SmartHub secure online payment system and Messenger capability. In addition to providing members with detailed



After more than two years of planning and construction, Firelands Electric Cooperative moved into its new all-in-one facility on Jan. 17, 2019.

electricity use, billing history, and bill comparisons with local weather trends, Messenger communicates with members by sending email and text messages regarding electric bill notices, power outages, and more. These secure and efficient messages are automated with the cooperative's system — providing members with timely information they can access anywhere (by computer, phone, or tablet).

Firelands Electric is continually evolving its technology and enhancing cybersecurity. The cooperative's SmartHub downloadable app is safe and secure, encrypting every transaction, and no personal information is stored on your computer or mobile device. The SmartHub app also provides billing and outage alerts to keep you well informed.

Communication with our members is vital. Whether you prefer news in printed form, on your computer, or on your mobile device, Firelands Electric has you covered. In addition to traditional printed media, such as *Ohio Cooperative Living*, and mailers, the cooperative also keeps its members informed of the latest news through numerous online outlets. Stay connected with Firelands Electric online at www.FirelandsEC.com, and check out the cooperative's Facebook, LinkedIn, Twitter, YouTube, Pinterest, and Flickr channels.

Continued on page 20D



Continued from page 20C

Firelands Electric Cooperative offers a variety of energy conservation programs, appliance rebates, and incentives. In 2018, the cooperative helped reduce energy use in more than 200 homes, assisted with lighting upgrades, and provided 290 appliance rebates, totaling \$53,840. That's big savings!

For over 40 years, Firelands Electric has offered members an annual opportunity for a close-up look at where their power is generated. Last year, 36 co-op members and guests toured the Cardinal Power Plant, a coal-fired plant located just south of Steubenville. The group included 12 South Central Middle School students who were able to see the environmental control equipment that makes Cardinal one of the cleanest facilities of its type in the world. This provided members a better understanding of why electric cooperatives across the United States continue to fight stringent regulation mandated by the Environmental Protection Agency (EPA).

Concern for community is another way the electric cooperative distinguishes itself as something more than just a power company. Since 2007, Firelands Electric has been a collection site for the USO of Northern Ohio "Step Up For Soldiers" campaign. Members of the community package the donations and distribute them to soldiers and their families during the Christmas season.

Since 2009, the cooperative has served as a regional pop tab collection site for the Ronald McDonald House of Akron. Last year, Firelands Electric collected 73.5 pounds of pop tabs — roughly 126,875 tabs. Employees, trustees, members, and the community have donated a total of 1,128.5 pounds of aluminum tabs over the past decade, which is over 1.4 million tabs that benefit the Akron house.

Charitable giving is also powered by blue jeans and sneakers. For over 15 years, co-op office employees have dressed down on Fridays in exchange for \$5 a week. Although everyone enjoys wearing jeans to work, the real reason behind their deep pockets is that it's all for a good cause. The money raised is donated to a local charity or family in need and is distributed to a different cause each month. In 2018, office employees raised \$3,100 to those in need.

Firelands' commitment to community continues with our youth programs, funding \$10,600 last year in scholarships for graduating high school seniors and sponsoring the Youth Tour to Washington, D.C., for high school sophomores and juniors. Educating the next generation of community leaders with a better understanding of energy and its efficient use is our

responsibility. Firelands Electric teaches kids about electrical safety and energy efficiency by supporting various youth programs. The cooperative is a corporate sponsor of school sports teams, community events, county fairs, and 4-H organizations.

FIRELANDS ELECTRIC PEOPLE FUND

For 24 years, members of the cooperative have been supporting the Firelands Electric People Fund by participating in the Operation Round Up program. Members allow their electric bills to be "rounded up" to the next dollar, with the average contribution around 50 cents per month, or \$6 per year. Firelands Electric's participation rate is nearly 85 percent of its roughly 9,122 members.

In 2018, the members enrolled in Operation Round Up contributed \$46,630. This money was awarded to individuals and organizations within our local communities to help fund special needs and projects.

Our members, our employees, and our communities — we all work together to make life better, just as our founders did 83 years ago.



CO-OPS & COMMUNITIES
Grow
Together



CAPITAL CREDITS: YOUR OWNERSHIP IN THE CO-OP

As a Firelands Electric member-owner, you receive electric service at cost, and any margin the cooperative makes — the money left over after all bills are paid — is allocated back to your capital credits account. We invest those capital credits in new poles, wire, transformers, substations, and other infrastructure in order to provide a reliable supply of cost-effective electric power. Those credits are then retired, or paid back, to you as it is financially feasible to do so.

CAPITAL CREDITS REFUNDS

1948-2009	\$ 7,950,430
2010	\$ 125,778
2011	\$ 717,451
2012	\$ 970,368
2013	\$ 962,762
2014	\$ 959,541
2015	\$ 923,723
2016	\$ 1,071,487
2017	\$ 856,661
2018	\$ 840,708
TOTAL	\$ 15,378,909

1

Your co-op tracks how much electricity you buy and how much you pay for it throughout the year.

2

At the end of the year, Firelands completes financial matters and determines whether there is excess revenue, called margins.

3

Firelands' trustees allocate the margins to members as capital credits, based upon their use of electricity during the year.

4

When Firelands' financial condition permits, your board of trustees decides to retire, or pay, the capital credits.

5

Firelands Electric notifies you of how and when you'll receive your capital credits retirement.



CO-OPS & COMMUNITIES GROW TOGETHER

ATTEND YOUR ANNUAL MEETING ON SATURDAY, JUNE 22

OFFICIAL NOTICE

The 2019 annual meeting of the members of Firelands Electric Cooperative will be held on Saturday, June 22, at Ashland University Myers Convocation Center, Ashland, Ohio. Members attending the cooperative's annual meeting will elect representatives for board districts 4, 5, and 8. A district map is available at www.firelandsec.com/content/board-trustees. Make a difference with your vote!

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 make sure to RSVP.

Members must bring their Official Annual Meeting Registration Card on June 22 to receive a \$5 bill credit on their August electric bill and a complimentary membership bag and gifts and to be entered in special prize drawings. Members of ACRE Co-op Owners for Political Action will be recognized for their dedication and will receive a special gift.

All registered co-op members will also have the opportunity to be entered into prize drawings for a KitchenAid 5-quart stand mixer, a Milwaukee 18V cordless tool set, and \$300 in bill credits (four \$25 credits, two \$50 credits, and one \$100 credit). Winners must be present to win. Firelands Electric will also be

FUN FOR THE ENTIRE FAMILY

- Registration begins at 8:30 a.m.
- Breakfast will be served from 8:30 to 9:15 a.m.
- Streamlined business meeting starts at 9:15 a.m.
- Kids' Zone activities for children ages 10 and under from 9:15 to 10:15 a.m.
- Special prize drawings begin at 10:15 a.m.

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 14

Seating is limited for the hot breakfast buffet, so your reservation must be submitted before June 14. Complete your reservation online at www.firelandsec.com/content/annual-meeting-members, OR by contacting Firelands Electric's office at 1-800-533-8658.



MEMBERS ATTENDING THE ANNUAL MEETING WILL BE ENTERED INTO SPECIAL DRAWINGS FOR:

- KitchenAid 5-quart stand mixer
- Milwaukee 18V cordless tool set
- \$300 in bill credits
(four \$25 credits, two \$50 credits, and one \$100 credit)

Must be present to win

YOUR BOARD OF TRUSTEES: LEADING THE WAY

District 1 - Richmond, Norwich, and Greenfield townships

District 2 - New Haven, Ripley, Greenwich, Ruggles, Cass, and Blooming Grove townships

District 3 - Peru, Bronson, Fairfield, and Hartland townships, and Fitchville Township west of State Route 250

District 4 - Clarksfield and Rochester townships, Fitchville Township east of State Route 250 and north of CSX rail in New London municipality, and New London Township

District 5 - Monroe, Green, and Lake townships

District 6 - Butler, Clear Creek, Orange, Weller, Milton, Mifflin, and Madison townships north of State Route 42

District 7 - Vermilion, Mohican, Montgomery, and Perry townships

District 8 - Mifflin Township south of State Route 42 in Ashland and Richland counties

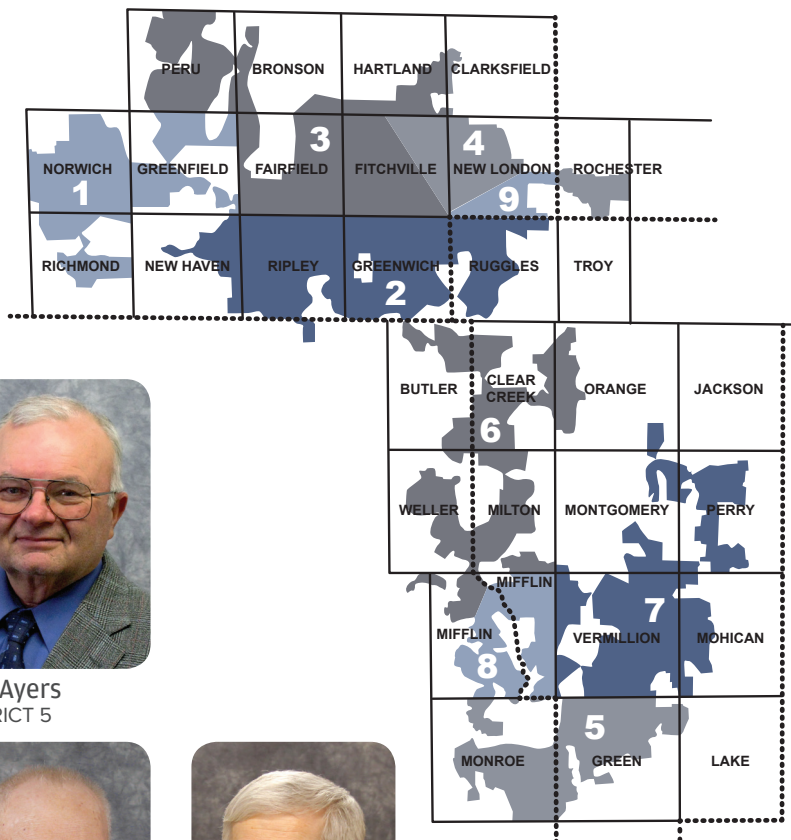
District 9 - South of CSX rail in New London municipality and New London Township



Dan Schloemer
DISTRICT 1



Gene Lamoreaux
DISTRICT 2



Steve Gray
DISTRICT 3



Bruce Leimbach
DISTRICT 4



Carl Ayers
DISTRICT 5



Kevin Reidy
DISTRICT 6



Rob Turk
DISTRICT 7



W.E. Anderson
DISTRICT 8



John Martin
DISTRICT 9

Firelands Electric Cooperative is governed by a board of trustees that is nominated and elected by our members in accordance with our Code of Regulations. Our service area is divided into nine districts, which are drawn based on equitable representation of the geographic areas served by the cooperative.



BOARD OF TRUSTEE CANDIDATES

Firelands Electric Cooperative serves more than 9,130 homes and businesses throughout rural areas of Ashland, Huron, Lorain, and Richland counties. Firelands' service territory is composed of nine districts, which are each represented by a member who is elected to serve on the board of trustees that governs Firelands' operations.

Each candidate has submitted a valid petition signed by members living within his or her Firelands Electric Cooperative district. All members in attendance at the 2019 annual meeting will vote for candidates to represent districts 4, 5, and 8 for the next three years on the board of trustees. Nominations from the floor at the annual meeting are not permitted.

DISTRICT 4 • Clarksfield and Rochester townships, Fitchville Township east of State Route 250 and north of CSX rail in New London municipality, and New London Township



Bruce Leimbach

BRUCE LEIMBACH • 904 State Route 60 South, New London

Leimbach is a financial consultant for Civista Wealth Management and has worked in the Farm Credit System for 30 years in various roles, including branch manager, vice president of marketing, and vice president. He has been a member of Firelands Electric for 28 years, has served on the cooperative's board of trustees since 2016, and is an ACRE Century Club member. Leimbach is an active member of the New London Ruritan and Norwalk Kiwanis clubs and a member of the Clarksfield Methodist Church.

His senior management leadership experience and solid background in finance and accounting are areas that Leimbach feels assist him in making sound business decisions. He feels that a cooperative's money and assets must be used in such a way that they fulfill the co-op's mission and protect the interests of all of its members. Leimbach has spent 30 years working for a cooperative, which makes him a firm believer in the principles for which they stand.

Leimbach believes in the importance of minimizing rates for members while maintaining a financially sound cooperative. He considers it essential to improve reliability and infrastructure, keep the cooperative's workers safe, and continue to educate staff and employees while managing controllable costs to keep the member's rates affordable.

DISTRICT 5 • Monroe, Green, and Lake townships



Carl Ayers

CARL AYERS • 1046 County Road 2786, Perrysville, Ohio 44864

Ayers has been a lifelong dairy farmer and is a partner in Ayers Farms. He has been a member of the Firelands Electric for over 50 years, has served active on the cooperative's board of trustees since 2010, and is an ACRE Century Club member. Ayers is active with the Ashland County Farm Bureau and Helping Hand Mission in Loudonville. He is also a member of Loudonville's First Presbyterian Church.

Serving on the cooperative's board of trustees for the past nine years has provided Ayers with a vast amount of knowledge in the electrical generation and transmission industry and the costs involved. Ayers says he applies his agricultural business experience toward directing the cooperative to provide members with safe, dependable power. He believes in the cooperative model and its ability to deliver service at an affordable rate.

Ayers feels that keeping our electric supply and distribution system viable and efficient in the face of challenges such as the rising costs of energy, increased regulations, and the ever-changing sources of energy are an ongoing concern for all cooperative members.

DISTRICT 8 • Mifflin Township south of State Route 42 in Ashland and Richland counties



W.E. Anderson

W.E. ANDERSON • 1834 County Road 1095, Ashland, Ohio 44805

Anderson is a retired chemistry teacher and science department chairperson. He has been a member of Firelands Electric for 55 years, has been active on the cooperative's board of trustees since 2009, and is an dedicated ACRE Century Club member. Anderson is a current member of the Hayesville Lions Club and Hillsdale Board of Education. He has also served as president of the Ashland County West Holmes Career Center Board of Education, Mifflin Township zoning inspector, and board member of the Ashland County Farm Bureau. Anderson also operated a custom baling and farming business and attends Grace Church in Ashland.

Serving on the cooperative's board of trustees has shown Anderson the importance of working to develop necessary policies that will best serve the members. These same policies guide the cooperative in providing a safe, reliable, and affordable source of electrical energy. Anderson earned his Credentialed Cooperative Director designation from the National Rural Electric Cooperative Association in 2014.

Anderson believes that maintaining a reliable and affordable supply of electrical energy, while incorporating different sources of energy and still complying with the ever-changing government regulations, continues to be a challenge for electric cooperatives. In order to accomplish this, he considers it essential to adopt sound operating policies and employ skilled people to implement those policies.



Elaine Oswald

ELAINE OSWALD • 852 Pugh Road, Mansfield, Ohio 44903

Oswald is retired from the chemical and agricultural research field. She has also worked in the medical records department at several hospitals and taught medical records courses for several years. Oswald is involved with volunteer work at local hospitals and food and clothing banks, as well as serving in group and jail ministry programs. She currently does precipitation monitoring for the Richland County Soil and Water Conservation Service. Her family raised milk goats in Ashland County for 27 years before moving to the Mansfield area. A member of Firelands Electric Cooperative for 16 years, she has been part of ACRE Co-op Owners for ten years.

With an extensive background in the sciences, record-keeping, teaching, and leadership roles, Oswald has acquired a wide range of skills to make sound decisions regarding the electric cooperative industry and its members. She believes in analyzing and discussing alternative options to reach the best resolution to any problem. Oswald feels that cooperation and compromise are crucial to making choices that are in the best interests of the members, while continuing to operate the cooperative effectively and efficiently.

Oswald believes that providing safe and affordable electricity, while navigating the current cost and availability of traditional and renewable energy sources, is a challenge for cooperatives. She considers the co-op's ability to adapt to the ever-changing landscape of the industry important to maintaining a sound infrastructure while minimizing the cost to members.



PROPOSED AMENDMENTS

Your board of trustees is proposing three amendments to the Firelands Electric Cooperative Code of Regulations, which will be voted on at the 2019 annual meeting of members by ballot.

If approved by the membership, the amendments will:

- Permit voting to be conducted by mail and/or electronic ballot;
- Revise the director qualifications to provide that individuals who are employed by or financially interested in a business that sells goods or services similar to those goods or services sold by the cooperative are not qualified to serve as directors; and,
- Update the duties performed by the officers of the cooperative to bring them in line with the cooperative's current practices.

Members attending the June 22 annual meeting will be voting on all three proposed amendments. The board is recommending passage of all three:

- It believes that allowing the members to vote by mail and/or through a secure website will increase member participation in the cooperative's elections. In the recent past, less than 4% of the cooperative's total membership has voted in its elections. More than half of Ohio's electric cooperatives already allow mail or electronic voting, and those cooperatives implementing such voting procedures experience voting participation between 10% and 15% of their membership;
- It believes that revising the director qualifications to prohibit individuals from serving on the board who are employed by or financially interested in a business that sells goods or services similar to those sold by the cooperative protects the cooperative from board members who could pose serious conflicts of interest which could work against the best interests of the cooperative and its members; and,
- It believes that updating the code's description of duties performed by the cooperative's officers is necessary to bring the code in line with the current practices of the cooperative. The newly described

duties reflect not only current practices of our cooperative, but other Ohio electric cooperatives as well.


- Proposed changes include strikethrough words of removed language and capitalized red font containing new language.

AMENDMENT 1 - MAIL AND/OR ELECTRONIC VOTING

With the first proposed amendment, the membership is being asked to amend five sections of Article II of the Code of Regulations (Meetings of Members), and one section of Article III (Trustees). Since all of these proposed changes are related, members will cast a single vote on whether to approve or reject these proposed amendments, which together, will implement mail and/or electronic voting.

Currently, voting for trustees or amendments to the Code of Regulations can only take place at the annual meeting of members. This code amendment would give the board the option of using mail and/or electronic voting for any issue, including election of trustees, amendments to the Code of Regulations, or amendments to the Articles of Incorporation. In this amendment, the board does retain the option to conduct voting at member meetings, in lieu of mail and/or electronic voting. However, both voting methods cannot be used simultaneously; that is, in any election, voting must either be conducted by mail and/or electronic ballot, or in person at a meeting of members.

This amendment permits voting to take place with or without a meeting, and permits the board to hire an independent third party to conduct an election by mail and/or electronic ballot and tally the votes cast. It also revises the trustee election timetable by changing the time for the filing of nominating petitions by candidates for the position of trustee, by requiring petitions to be filed 25 days earlier than currently required. This will ensure adequate time for preparation of ballots and making arrangements to conduct mail and/or electronic voting.



The amendment also provides that tie votes will be decided by a coin toss; that the results of any election conducted by mail and/or electronic ballots will be announced at the annual meeting by the cooperative's election committee; and, that the agenda of business to be conducted at an annual meeting is a listing of items required to be addressed, but not the order in which they must be addressed.

Full text of the proposed amendments to Article II, Sections 1, 4, 5, 7, and 8; and Article III, Section 2, of the Code of Regulations, reads as follows:


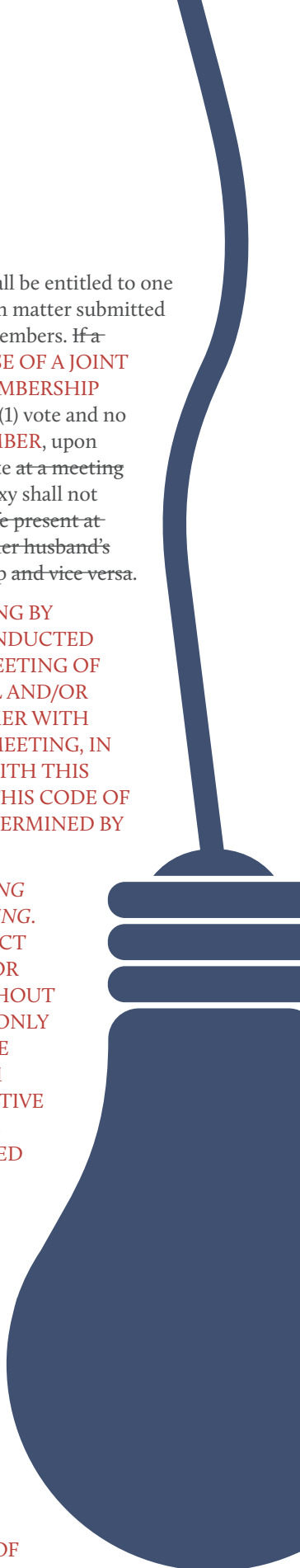
Article II, Section 1. Annual Meeting.

The annual meeting of the members shall be held each year beginning with the year 1996 at such day, hour, and place within the service area of the cooperative, as determined by resolution of the board of trustees and as shall be designated in the notice of the meeting, for the purpose of electing trustees, passing upon reports covering the previous fiscal year, **ANNOUNCING THE RESULTS OF ANY ELECTION CONDUCTED BY MAIL OR ELECTRONIC BALLOT**, and transacting such other business as may come before the meeting. If the election of trustees ~~shall IS~~ not be held **OR THE RESULTS OF A MAIL OR ELECTRONIC BALLOT NOT ANNOUNCED** on the day designated herein for any annual meeting, or at any adjournment thereof, the board of trustees shall cause the election to be held **EITHER** at a special meeting of the members, **OR BY MAIL OR ELECTRONIC BALLOT**, as soon thereafter as conveniently ~~may be~~. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the cooperative.

Article II, Section 4. Quorum.

Fifty members **EITHER** present or in person **OR CASTING A VOTE BY MAIL OR ELECTRONIC BALLOT** shall constitute a quorum for the transaction of business ~~at all meetings of the members~~. In case of a joint membership, the presence at a meeting of either ~~husband or wife, or both~~, **OR THE MAIL OR ELECTRONIC VOTE OF EITHER**, shall be regarded as ~~the presence of one member~~. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice. The annual meeting shall not be adjourned more than thirty (30) days.

Article II, Section 5. Voting.

- (a) **ONE VOTE.** Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote ~~at a meeting~~ of the members. ~~If a husband and wife hold~~ **IN CASE OF A JOINT MEMBERSHIP, they THE MEMBERSHIP** shall jointly be entitled to one (1) vote and no more, **CAST BY EITHER MEMBER**, upon each matter submitted to a vote ~~at a meeting~~ of the members. Voting by proxy shall not be permitted, except that a ~~wife present at a meeting~~ **SPOUSE** may vote ~~her husband's~~ **THEIR SPOUSE'S** membership and vice versa.
- (b) **MANNER OF VOTING. VOTING BY THE MEMBERS MAY BE CONDUCTED EITHER IN PERSON AT A MEETING OF THE MEMBERS, OR BY MAIL AND/OR ELECTRONIC BALLOT EITHER WITH OR WITHOUT A MEMBER MEETING, IN A MANNER CONSISTENT WITH THIS ARTICLE II, SECTION 5 OF THIS CODE OF REGULATIONS AND AS DETERMINED BY THE BOARD OF TRUSTEES.**
- (c) **MAIL OR ELECTRONIC VOTING WITHOUT A MEMBER MEETING. A MEMBER MAY VOTE OR ACT ON ANY MATTER BY MAIL OR ELECTRONIC BALLOT WITHOUT A MEMBER MEETING, BUT ONLY AS PROVIDED IN THIS CODE OF REGULATIONS. IN SUCH INSTANCES, THE COOPERATIVE WILL DELIVER OR PROVIDE TO EACH MEMBER ENTITLED TO VOTE ON THE MATTER A WRITTEN MAIL BALLOT AND/OR ACCESS TO AN ELECTRONIC BALLOT. THE MATTER OR ACTION IS APPROVED IF THE NUMBER OF COMPLETED MAIL AND/OR ELECTRONIC BALLOTS RECEIVED BY THE COOPERATIVE EQUALS OR EXCEEDS THE QUORUM REQUIREMENTS SET FORTH IN ARTICLE II, SECTION 4 OF THIS CODE OF**
- 
- 

Continued on page 201.

Continued from page 20K

REGULATIONS, AND THE NUMBER OF VOTES FAVORING THE MATTER OR ACTION EQUALS OR EXCEEDS THE NUMBER OF VOTES REQUIRED TO APPROVE THE MATTER OR ACTION.

(d) *MAIL OR ELECTRONIC VOTING WITH A MEMBER MEETING.* A MEMBER MAY VOTE OR ACT BY MAIL OR ELECTRONIC BALLOT ON ANY MATTER TO BE CONSIDERED IN CONJUNCTION WITH A MEMBER MEETING, BUT ONLY AS PROVIDED IN THIS CODE OF REGULATIONS. THE COOPERATIVE WILL DELIVER OR PROVIDE TO EACH MEMBER ENTITLED TO VOTE ON THE MATTER A WRITTEN MAIL BALLOT AND/OR ACCESS TO AN ELECTRONIC BALLOT. IN SUCH INSTANCES, ALL VOTES SHALL BE CAST BY MAIL AND/OR ELECTRONIC BALLOT, AND VOTING IN PERSON AT THE MEETING OF THE MEMBERS SHALL NOT BE PERMITTED. THE COOPERATIVE MUST COUNT AS A MEMBER'S VOTE A PROPERLY COMPLETED MAIL OR ELECTRONIC BALLOT RECEIVED ON OR BEFORE THE TIME AND DATE STATED IN THE BALLOT. THE MATTER OR ACTION IS APPROVED IF THE NUMBER OF COMPLETED MAIL AND/OR ELECTRONIC BALLOTS RECEIVED BY THE COOPERATIVE EQUALS OR EXCEEDS THE QUORUM REQUIREMENTS SET FORTH IN ARTICLE II, SECTION 4 OF THIS CODE OF REGULATIONS, AND THE NUMBER OF VOTES FAVORING THE MATTER OR ACTION EQUALS OR EXCEEDS THE NUMBER OF VOTES REQUIRED TO APPROVE THE MATTER OR ACTION. THE RESULTS OF THE VOTE SHALL BE ANNOUNCED AT THE MEMBER MEETING. WHENEVER THIS CODE OF REGULATIONS REQUIRES ACTION TO BE TAKEN AT A MEMBER MEETING, A VOTE BY MAIL OR ELECTRONIC BALLOT IN CONJUNCTION WITH A MEMBER MEETING SHALL BE DEEMED TO BE ACTION TAKEN AT A MEMBER MEETING.

(e) *MAIL OR ELECTRONIC BALLOT CONTENTS.* A MAIL OR ELECTRONIC BALLOT MUST:

- (1) SET FORTH AND DESCRIBE A PROPOSED ACTION, IDENTIFY A CANDIDATE(S), AND/OR INCLUDE THE LANGUAGE OF A MOTION, RESOLUTION, CODE OF REGULATIONS AMENDMENT, OR OTHER WRITTEN STATEMENT, UPON WHICH A MEMBER IS ASKED TO VOTE OR ACT;
- (2) STATE THE DATE OF A MEMBER MEETING AT WHICH THE RESULTS OF THE ELECTION

OR VOTING ARE SCHEDULED TO BE ANNOUNCED, OR IF NO MEMBER MEETING IS SCHEDULED, STATE HOW THE RESULTS WILL BE ANNOUNCED;

(3) PROVIDE AN OPPORTUNITY TO VOTE FOR OR AGAINST THE MATTER;

(4) INSTRUCT THE MEMBER HOW TO COMPLETE, RETURN, OR CAST THE BALLOT; AND,

(5) STATE THE TIME AND DATE BY WHICH THE COOPERATIVE MUST RECEIVE THE COMPLETED MAIL BALLOT.

(f) *RESCISSION OF MAIL OR ELECTRONIC BALLOTS.* EXCEPT AS OTHERWISE PROVIDED IN THIS CODE OF REGULATIONS OR BY THE BOARD OF TRUSTEES, A MEMBER MAY NOT REVOKE OR RESCIND A COMPLETED MAIL OR ELECTRONIC BALLOT RECEIVED BY THE COOPERATIVE. A MEMBER'S FAILURE TO RECEIVE A MAIL OR ELECTRONIC BALLOT DOES NOT AFFECT ANY VOTE OR ACTION TAKEN IN THAT BALLOTING.

(g) *FRAUDULENT MAIL OR ELECTRONIC BALLOTS.* A MAIL OR ELECTRONIC BALLOT MAY NOT BE PROCURED OR CAST THROUGH FRAUD OR OTHER IMPROPER MEANS. AS DETERMINED BY THE COOPERATIVE, A MAIL OR ELECTRONIC BALLOT PROCURED OR CAST THROUGH FRAUD OR OTHER IMPROPER MEANS IS INVALID.

(h) *NUMBER OF VOTES REQUIRED.* At all meetings of the members at which a quorum is present, AND FOR ALL VOTES CONDUCTED BY MAIL OR ELECTRONIC BALLOT IN WHICH A QUORUM PARTICIPATES, all questions shall be decided by a vote of the majority of the members voting thereon ~~in person~~, except as otherwise provided by law, the Articles of Incorporation of the cooperative, or this Code of Regulations. ~~Voting by mail shall not be permitted, provided, however, that in any vote of the members for which this Code of Regulations or the Articles of~~

Incorporation requires the affirmative vote of greater than a majority of a quorum, such matter shall be submitted to the members for vote pursuant to an election by mail in accordance with such procedures as the board may determine in its discretion.

- (i) **PROOF OF AUTHORITY OF AGENTS. WHETHER VOTING IN PERSON AT A MEETING OR BY MAIL OR ELECTRONIC MEANS, AGENTS OF** Ecorporations, firms and bodies politic may be required to submit proof of their authority or evidence satisfactory to the members present at the annual meeting of their authority to vote at any meeting, but; in no case shall the **AN** agent delegated to vote the membership of the **A** corporation, firm, or body politic be a member of the cooperative; nor shall any one agent represent more than one membership.

Article II, Section 7. Nomination and Election of Trustees.

- (a) **Nomination by Petition.** Not less than ~~sixty-five~~ **NINETY** days nor more than one hundred ~~twenty~~ **FORTY-FIVE** days before any meeting at which trustees are to be elected, **OR IN THE CASE OF AN ELECTION CONDUCTED BY MAIL AND/OR ELECTRONIC BALLOT BEFORE ANY MEETING AT WHICH THE ELECTION RESULTS ARE TO BE ANNOUNCED**, any member residing in a district from which a trustee is to be elected may obtain from the secretary of the cooperative a nominating petition. The nominating petition may nominate for trustee any member residing in the district who possesses the qualifications for trustee specified in Section 2, Article III of this code. The petition shall be signed by not less than twenty (20) members who are residents of the district, and filed with the secretary of the cooperative not later than four P.M. of the ~~sixty-fifth~~ **NINETIETH** day before the date of the meeting at which the trustee election shall be held; **OR THE MAIL AND/OR ELECTRONIC BALLOTING RESULTS SHALL BE ANNOUNCED**. The secretary shall verify the signatures contained in the petition.

Any qualified member who timely files a petition with the verified signatures of not less than twenty (20) members who are residents of the district shall be declared an official candidate of the district. There shall be no limitation on the number

of official candidates for trustee. A member may sign more than one nominating petition.

- (b) **Election of Trustees.** Not less than seven (7) days before an annual or special meeting of the members at which trustees are to be elected, the secretary of the cooperative shall mail to each member a list of the official candidates, the names to be arranged by districts and in alphabetical order. This list may be included with the notice of the meeting. At the meeting, the secretary of the cooperative shall place in nomination the names of the official candidates of each district. Election of trustees shall be by printed or **ELECTRONIC mimeographed** ballot. The ballots shall be arranged by districts with the names of candidates appearing in alphabetical order. Each member of the cooperative present at the meeting shall be entitled to vote for one candidate from each district. The candidate from each district receiving the highest number of votes ~~at this meeting~~ shall be declared elected as trustee. **IN THE EVENT OF A TIE VOTE AMONG THOSE CANDIDATES RECEIVING THE HIGHEST NUMBER OF VOTES, THE TIE SHALL BE RESOLVED BY A COIN TOSS CONDUCTED BY THE ELECTION COMMITTEE CHAIRPERSON.**

- (c) **Election Committee.** ~~At any meeting at which a IN ANY Trustee or Trustees are to be elected;~~ **ELECTION**, each candidate shall designate a teller. Together, all designated tellers, along with a chairperson appointed by the board of trustees, shall comprise the election committee.

IN ANY ELECTION CONDUCTED AT A MEETING OF THE MEMBERS, it shall be the responsibility of the committee to count all ballots or other votes cast ~~in any election or in any other matter~~ and to rule upon the effect of any ballots or other votes irregularly or indecisively marked or cast. In the exercise of its responsibility, the committee shall have available to it the advice of counsel provided by the cooperative. The committee's decision, as reflected by a majority of those actually present and voting, shall be final.

IN ANY ELECTION OR VOTE CONDUCTED BY MAIL OR ELECTRONIC BALLOT, THE BOARD OF TRUSTEES MAY RETAIN AN INDEPENDENT

Continued on page 20N

THIRD PARTY TO CONDUCT THE ELECTION AND COUNT ALL BALLOTS OR OTHER VOTES CAST. IN ANY SUCH ELECTION CONDUCTED BY AN INDEPENDENT THIRD PARTY, IT SHALL BE THE RESPONSIBILITY OF THE ELECTION COMMITTEE TO REVIEW A REPORT OF THE RESULTS BY THE INDEPENDENT THIRD PARTY AND TO ANNOUNCE OF THE RESULTS TO THE MEMBERSHIP AT THE MEMBER MEETING.

- (d) **Credentials Committee.** Any other questions relating to members voting and the election of trustees, including, but not limited to, the validity of either the nomination or the qualifications of candidates, the regularity of the nomination and election of trustees, and hearing and deciding any protest or objection filed with respect to any election or to conduct affecting the results of any election, shall be determined by a credentials committee appointed by the board of trustees of the cooperative. The board shall appoint one member in good standing from each of the cooperative's nine (9) trustee districts. A committee member cannot be a current member of the board of trustees, a close relative of a trustee, or a member of the election committee. The credentials committee shall choose its own chairperson whenever it is called upon to meet. The committee shall have available to it the advice of counsel provided by the cooperative.

In the event a protest or objection is filed concerning any election, such protest or objection must be filed during, or within three (3) business days following the adjournment of the meeting in which the voting is conducted **OR THE ELECTION RESULTS ARE ANNOUNCED.**

The credentials committee shall thereupon commence a meeting not less than seven (7) days after such protest or objection

is filed. The committee shall hear such evidence as is presented by the protestor(s), who may be heard in person, by counsel, or both, and any opposing evidence. The committee by a vote of a majority of those present and voting, shall, within a reasonable time but not later than thirty (30) days after such hearing render its decision. The committee may, in its discretion, affirm the election, change the outcome of the election, or set the election aside. The credentials committee's decision, as reflected by a majority of those actually present and voting, shall be final.

Article II, Section 8. Order ITEMS of Business.

The ~~order~~ **ITEMS** of business at the annual meeting of the members, and so far as possible at all other meetings of the members, shall be essentially as follows:

1. Call of the roll.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of, and acting upon, reports of officers, trustees, and committees.
5. Election of trustees, **OR ANNOUNCEMENT OF RESULTS OF ANY ELECTION CONDUCTED BY MAIL AND/OR ELECTRONIC BALLOT.**
6. Unfinished business.
7. New business.
8. Adjournment.

Article III, Section 2. Qualifications and Tenure.

- (a) ~~At each annual meeting of the members~~ **b**Beginning with the year 1948, trustees shall be elected by ballot, by and from the members, subject to the provisions of this Code of Regulations with respect to the removal of trustees. No member shall be eligible to become or remain a trustee or to hold any position of trust in the cooperative who is not a bona fide resident of the particular district he is to represent; or who is in any way employed by or financially interested in a competing enterprise, or a business selling electric energy or supplies to the cooperative, or a business primarily engaged in selling electrical or plumbing

appliances, fixtures, or supplies to the members of the cooperative; or who has been an employee of the cooperative or any subsidiary of the cooperative at any time during the three years immediately prior to election or appointment to the board. When a membership is held jointly by a husband and wife, either one, but not both, may be elected a trustee; provided, however, that neither one shall be eligible to become or remain a trustee or to hold a position of trust in the cooperative unless both shall meet the qualifications hereinabove set forth. Nothing in this section contained shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the board of trustees.

Trustees elected from districts 1, 3, and 6 shall hold office for the remainder of the term of one year to the date of the 1948 annual meeting and until the election and qualification of their successors. Trustees elected from districts 2, 7, and 9 shall hold office for the remainder of the term of two years to the date of the 1949 annual meeting and until the election and qualification of their successors. Trustees elected from districts 4, 5, and 8 shall hold office for the remainder of the term of three years to the date of the 1950 annual meeting and until the election and qualification of their successors; provided that at each annual election, commencing with the year 1948, and thereafter, the successors to the trustees of each group whose terms shall expire in each year shall be elected to hold office for the term of three years from the date of their election and until the election and qualification of their successors.

- (b) Redelineation of the districts at the 1990 annual meeting has resulted in the creation of a new district 8. A trustee from the newly constituted district 8 shall be elected at the annual meeting of the members in the year 1991. The trustee shall hold office to the date of the 1992 annual meeting and until the election and qualification of his successor. Thereafter, the trustee from district 8 shall be elected for the same term and at those annual meetings called for in Article III, Section 2(a), above.

AMENDMENT 2 - TRUSTEE QUALIFICATIONS

The second proposed amendment would revise Section 2. of Article III of the Code of Regulations by prohibiting an individual who works for or is financially interested in a business which sells goods or services similar to those

provided by the cooperative, from serving as a Trustee of the cooperative. It removes the prohibition of an individual who sells appliances or fixtures to members of the cooperative from serving on the Board, as the cooperative is not in the business of selling appliances or fixtures to its members.

Full text of the proposed amendments to Article III, Section 2, of the Code of Regulations, reads as follows:

Article III, Section 2. Qualifications and Tenure.

- (a) At each annual meeting of the members beginning with the year 1948, trustees shall be elected by ballot, by and from the members, subject to the provisions of this Code of Regulations with respect to the removal of trustees. No member shall be eligible to become or remain a trustee or to hold any position of trust in the cooperative who is not a bona fide resident of the particular district he is to represent; or who is in any way employed by or financially interested in a competing enterprise, or a business selling electric energy or supplies to the cooperative, or a business ~~primarily engaged in selling electrical or plumbing appliances, fixtures, or supplies to the members of the Cooperative~~ **PROVIDING A GOOD OR SERVICE SIMILAR TO A GOOD OR SERVICE PROVIDED BY THE COOPERATIVE OR ANY SUBSIDIARY OF THE COOPERATIVE**; or who has been an employee of the cooperative or any subsidiary of the cooperative at any time during the three years immediately prior to election or appointment to the board. When a membership is held jointly by a husband and wife, either one, but not both, may be elected a trustee; provided, however, that neither one shall be eligible to become or remain a trustee or to hold a position of trust in the cooperative unless both shall meet the qualifications hereinabove set forth. Nothing in this section contained shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the board of trustees.

Trustees elected from districts 1, 3, and 6 shall hold office for the remainder of the term of one year to the date of the 1948 annual meeting and until the election and qualification of their successors. Trustees elected from districts 2, 7, and 9 shall hold office for the remainder of the term of two years to the date of the 1949 annual meeting and until the election and qualification of their successors. Trustees elected from districts 4, 5, and 8 shall hold office for the

Continued on page 20P

Continued from page 200

remainder of the term of three years to the date of the 1950 annual meeting and until the election and qualification of their successors; provided that at each annual election, commencing with the year 1948, and thereafter, the successors to the trustees of each group whose terms shall expire in each year shall be elected to hold office for the term of three years from the date of their election and until the election and qualification of their successors.

(b) Redelineation of the districts at the 1990 annual meeting has resulted in the creation of a new district 8. A trustee from the newly constituted District 8 shall be elected at the annual meeting of the members in the year 1991. The trustee shall hold office to the date of the 1992 annual meeting and until the election and qualification of his successor. Thereafter, the trustee from district 8 shall be elected for the same term and at those annual meetings called for in Article III, Section 2(a), above.

AMENDMENT 3 - DUTIES OF OFFICERS

The third proposed amendment would revise Article V of the Code of Regulations by updating the descriptions of the duties to be performed by the officers of the cooperative, to bring the descriptions in line with the current practices of the cooperative. This amendment would also revise Article IV of the Code to insert the new address of the cooperative's headquarters.

Full text of the proposed amendments to Article VI, Section 1; and Article V, Sections 5, 6, 7, 8, and 9 of the Code of Regulations, reads as follows:

Article IV, Section 1. Regular Meetings.

A regular meeting of the board of trustees may be held without notice other than this Code of Regulations, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the board of trustees shall also be held monthly at headquarters building, **One Energy Place 103 INDUSTRIAL DRIVE**, New London, Ohio at such time and date as the board of trustees may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and date thereof.

Article V, Section 5. President.

The President **SHALL**:

(a) ~~shall~~ be the principal executive officer of the cooperative and shall preside at all meetings of the members and of the board of trustees;

(b) ~~shall~~ **ON THE COOPERATIVE'S BEHALF**, sign, with the Secretary, certificates of membership, the issue of which ~~shall have been authorized by resolution of the board of trustees, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments~~ **DOCUMENTS PROPERLY** authorized **OR APPROVED** by the board of trustees **OR MEMBERS** to be executed, except in cases in which the signing and execution thereof ~~shall be~~ **IS** expressly delegated by the board of trustees or by this Code of Regulations to some other officer or agent of the cooperative, or shall be required by law to be otherwise signed or executed; and

(c) in general, ~~shall perform all~~ **OTHER** duties, ~~incident to the Office of President and such other duties~~ **HAVE ALL OTHER RESPONSIBILITIES, AND EXERCISE ALL OTHER AUTHORITY** as may be prescribed by the board of trustees from time to time.

Article V, Section 6. Vice President.

In the absence of the president, or in event of his inability or refusal to act, the vice president shall perform the duties of the president, and when so acting shall have all the power of and be subject to all the restrictions upon the president and shall perform such other duties as from time to time may be ~~assigned to him~~ **PRESCRIBED** by the board of trustees.

Article V, Section 7. Secretary.

The Secretary shall:

(a) keep or cause to be kept the minutes of meetings of the members and the board of trustees in one or more books provided for that purpose;

(b) ~~see that~~ **BE RESPONSIBLE** FOR all notices ~~are duly~~ **REQUIRED TO BE** given in accordance with this Code of Regulations or ~~as required~~ by law;

(c) be custodian of **AND MAINTAIN AND AUTHENTICATE** the corporate records, and ~~of the seal of the Cooperative and see that~~ **AFFIX** the seal of the cooperative ~~is affixed to all certificates of membership prior to the issue thereof and to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of this Code of Regulations.~~

- (d) Keep a register of the post office address of each member which shall be furnished to the Secretary by such member;
- (e) Sign with the President certificates of membership, the issue of which shall have been authorized by resolution of the board of trustees;
- (f) Have general charge of the books of the Cooperative in which a record of the members is kept;
- (d) Keep **MAINTAIN** on file at all times a complete copy of the Code of Regulations of the Cooperative containing all amendments thereto, which copy shall always be open to the inspection of any member, and **UPON REQUEST** at the expense of the cooperative, forward a copy of this Code of Regulations and all of the amendments thereto to each **ANY** member; and
- (e) In general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him **PRESCRIBED** by the board of trustees.

Article V, Section 8. Treasurer.

The Treasurer shall:

- (a) have charge and custody of and be responsible for all funds and securities of the Cooperative;
- (b) receive and give receipts for moneys due and payable to the Cooperative from any source whatsoever, and deposit all such moneys in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of this Code of Regulations; and
- (c) in general perform all the duties incident to the office of Treasurer, **SHALL HAVE ALL RESPONSIBILITY, AND MAY EXERCISE ALL AUTHORITY** and such other duties as from time to time may be assigned to him **PRESCRIBED** by the board of trustees.

Article V, Section 9. GENERAL Manager.

The board of trustees shall appoint a **GENERAL** manager who may be, but who shall not be required to be, a member of the cooperative. The manager shall perform such duties as the board of trustees may, from time to time, require of him and shall have such authority as the board of trustees may, from time to time, vest in him.

COOPERATIVE PRINCIPLES

COOPERATIVE PRINCIPLES

1. **Voluntary And Open Membership**
2. **Democratic Member Control**
3. **Members' Economic Participation**
4. **Autonomy And Independence**
5. **Education, Training and Information**
6. **Cooperation Among Cooperatives**
7. **Concern For Community**

FIRELANDS ELECTRIC COOPERATIVE 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.



YOUR CO-OP'S FINANCIAL HEALTH

For the years ended December 31, 2018 and 2017

ASSETS

UTILITY PLANT

Electric plant in service	
Construction work in progress	
Less: Accumulated provision for depreciation and amortization	
Net Utility Plant	

2018	2017
\$ 43,093,295	\$ 43,260,745
6,284,764	1,956,533
49,378,059	45,217,278
(15,113,517)	(14,661,285)
34,264,542	30,555,993

NON-CURRENT ASSETS

Investments in associated organizations	
Deferred charges	
Total Non-Current Assets	

9,931,172	9,399,731
463,662	584,878
10,394,834	9,984,609

CURRENT ASSETS

Cash and cash equivalents	
Accounts receivable, consumers and other, less allowance for doubtful accounts of \$213,593 (\$204,424 in 2017)	
Materials and supplies	
Accrued utility revenues	
Assets held for sale	
Other current and accrued assets	
Total Current Assets	

865,504	1,491,582
1,635,817	1,671,247
321,525	218,607
389,872	459,641
293,742	-
36,570	38,130
3,543,030	3,879,207

Total Assets

\$ 48,202,406 **\$ 44,419,809**

EQUITIES & LIABILITIES

\$ 30,633	\$ 31,842
21,576,297	20,651,237
1,748,707	1,659,929
23,355,637	22,343,008

21,211,434 18,797,066

811,782	768,128
1,409,982	1,120,290
283,591	278,615
734,668	727,369
395,312	385,333
3,635,335	3,279,735

\$ 48,202,406 **\$ 44,419,809**

STATEMENTS OF REVENUE & EXPENSES FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
OPERATING REVENUE	\$ 20,132,551	\$ 18,676,689
OPERATING EXPENSES		
Cost of power	11,627,349	10,863,351
Distribution expense - operations	1,260,183	1,289,144
Distribution expense - maintenance	1,543,941	1,420,845
Consumer accounts	766,577	751,588
Administrative and general	1,236,002	1,202,377
Depreciation and amortization	1,367,607	1,430,267
Taxes	567,796	524,813
Total Operating Expenses	18,369,455	17,482,385
Operating margins before fixed charges	1,763,096	1,194,304
Interest on long-term debt	750,323	697,466
Operating margins after fixed charges	1,012,773	496,838
Patronage capital assigned by associated organizations	843,932	778,930
Net Operating Margins	1,856,705	1,275,768
NON-OPERATING MARGINS		
Interest income	40,566	37,419
Gain on sale of assets	5,374	-
Loss on impairment of assets	(182,184)	-
Other income (expense)	(17,027)	(15,231)
Total Non-Operating Margins	(153,271)	22,188
Net Margins for Period	\$ 1,703,434	\$ 1,297,956
PATRONAGE CAPITAL & OTHER EQUITY		
Net Margins	\$ 1,703,434	\$ 1,297,956
Beginning of Year	20,651,237	20,147,020
Subtotal	22,354,671	21,444,976
Retirement of Capital Credits and Other Contributions (Net)	(778,374)	(793,739)
Patronage Capital & Other Equities End of Year	\$ 21,576,297	\$ 20,651,237

The accounts of your cooperative for the years ended December 31, 2018 and 2017 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.

accountable
reliable
affordable



Firelands
Electric
COOPERATIVE
Your Touchstone Energy® Partner 

since 1936

YOUTH PROGRAMS



Education helps shape the leaders of tomorrow. That's why Firelands Electric includes it as one of our seven core principles. At the beginning of 2017, the cooperative introduced a new program to encourage students in their pursuit of academic excellence. Students in grades 6–8 are invited to become part of “The A Team” and be recognized for their hard work and dedication to education.

ACADEMIC EXCELLENCE

Winners of April drawing receive iTunes gift cards



Emma Packard
 Ashland Middle School
 Daughter of Josh and Wendy Packard



Emily Weaver
 Crestview Middle School
 Daughter of Dean and Becky Weaver

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 Co-op are eligible to apply. A copy of the report card should be submitted by mail to Attn: The A Team, Firelands Electric Co-op, 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, age, school, grade, address, phone number, the parents' name(s), and email address on your entry.

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



Kara Eberling
 St. Edward School
 Daughter of Tim and Michelle Eberling



COOPERATIVE UPDATE

BOARD MEETING *highlights*

Firelands Electric Cooperative's board of trustees met March 26 and covered the following items:

- Board President Dan Schloemer reported that the cooperative received 25 membership applications for approval by the board.
- The board reviewed a report for a safety and training meeting held on March 20.
- Director of Finance and Accounting Tabi Shepherd reviewed the February financials and reported on recent accounting and billing department activities.
- BHM, CPA Group, Inc. presented the results of the cooperative's 2018 audit. The auditors were pleased to report another clean audit.
- The board finalized proposed changes to the Code of Regulations, which will be brought to the membership for consideration at the annual meeting on June 22.
- General Manager Dan McNaull advised the board of plans to hire two new groundmen.
- The board reviewed final arrangements for the auction of surplus equipment scheduled for April 20 and the open house that is to take place on April 27.
- McNaull reviewed with the board the current status on the sale of the cooperative's former buildings.
- The board discussed capital credits retirement amounts for 2019.
- Director of Member Services and Communications Andrea Gravenhorst reported on recent activities involving the member services department.
- McNaull reminded the board that petitions for trustee candidates for districts 4, 5, and 8 are due by 4 p.m. on April 12. He also reminded them that each trustee will appoint a Credentials Committee member at the April meeting.

Firelands Electric Co-op is democratically controlled and governed by local people committed to policies that result in a safe and reliable electric system, fair rates, financial responsibility, and superior member service.

The cooperative's next board meeting is scheduled for 7 p.m. on Tuesday, June 25, at Firelands Electric's new facility, located at 103 Industrial Drive, New London.

FIRELANDS ELECTRIC COOPERATIVE, INC.

OUTAGE HOTLINE

1-800-533-8658

OFFICE

103 Industrial Drive
P.O. Box 32
New London, OH 44851
419-929-1571

OFFICE HOURS

Mon.-Fri. 8 a.m.-5 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

W.E. Anderson
District 8

Steve Gray
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
Your Touchstone Energy® Partner 