

Currents

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www.sussexrec.com



Annual Meeting

At 7:00 pm on Monday, June 3, 2019, our 82nd Annual Meeting of Members officially kicked off. Over 400 registered members and their families gathered at High Point Regional High School to share a meal, win prizes, and hear about the business of their Cooperative. Since the writing of our bylaws at the time of our founding in 1937, we have held an Annual Meeting every year. It is always a fantastic opportunity to connect with our members

directly and share with them everything we've been doing as a company.

Part of the Annual Meeting is sharing with our members the financial state of the Cooperative. As members, you have an active stake in the Co-op and are entitled to information on its finances, which I am happy to provide both at the Annual Meeting and in the Annual Report in May's issue of Currents. Operating revenues for the fiscal

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year ending December 31, 2018 were reported at approximately \$21.0 million for the year. Total operating expenses and interest expense totaled \$19.9 million, resulting in an operating margin of \$1.1 million.

The Cooperative is in strong

Annual Meeting

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financial health, evident by the company's equity ratio of 45% and a Debt Service Coverage ratio of 2.5 times at year-end 2018. For Fiscal year 2018, \$1.9 million was invested in Utility Plant in Service, reflecting your cooperative's ongoing investment in system upgrades, designed to increase system reliability and safety.

Our yearly elections for three seats on our Board of Directors, one per district, are timed to coincide with the Annual Meeting. In an effort to allow members who are unable to attend this meeting to exercise their voting privilege, the Board decided to use mail-in voting beginning in 2014. An independent company tabulated the results of these mailed-in ballots and delivered them to the Cooperative prior to the meeting.

The total ballots cast for the election was 1,095: 1,058 votes in District One, 1,074 votes in District Two, and 1,055 votes in District Three. After the votes were tallied, results were announced to the Annual Meeting's attendants:

District One Bradley Sparta, Incumbent
District Two Joseph Barca
District Three Dr. Michael Hopkins, Incumbent



Moving on from the business of the Co-op, we also covered our community-based efforts at the meeting. We announced the recipients of two scholarships and one teacher grant, which we fund in an effort to support the education of our community's future leaders. Since 2016, we have used our James Howard Goodwin Scholarship to meet this goal. Named for our former auditor who passed away, this scholarship awards \$1,000 each to local students' college educations.

We are proud to support these students, and this past year we expanded our scholarship program to also accommodate students who choose a path other than college. Some high school graduates seek job training or a technical school education that places them in the workforce and opens their future up to very lucrative jobs in the trades, like our own linemen, for example. To support these students, we recently announced our new Sussex Rural Electric Cooperative Trade Scholarship, which for the first time this year awarded \$1,000 each to two students to pursue trade programs of certifications.

James Howard Goodwin Scholarship

Robert Wallace is from Vernon High School and will be attending: Bloomberg University

Zachary Smolder is from Vernon High School and will be attending: Rutgers University

Madison DeVries is from Vernon High School and will be attending: Penn State University



Sussex Rural Electric Trade Scholarship

Zachary Amato is from Sussex Tech and will be attending: Universal Technical Institute

Pamela Hackett is from Vernon High School and will be attending: Centenary University

In addition to these two scholarships, we also awarded two grants to local teachers for their efforts in guiding the students who are the future of our community. Grants can be awarded for projects in any discipline, but must be energy or cooperative business related. Winners of the Bright Ideas Classroom Grant are: Serena Ayers from High Point Regional High School and Josua Gardepe from Sussex Tech.

Also in attendance this year were our nine Youth Tour students. Every year, the cooperatives from

across America send high school juniors to Washington, D.C. for a week. This year, Sussex Rural Electric will send: Sidney Sparta and Jacqueline Slate from Vernon High School, Caroline Reese, Bonnie Dong, Madeline Miller, and Sydney Hill from High Point, and Lizzie Crissey, Trevor Eldred, and Lexi French from Sussex Tech. These students (my own daughter among them), embarked on their all-expense-paid trip to our nation's capital in the third week of June, representing our Cooperative and our state in an event that 1,800 students from all across the country attend.



Our previous year's Youth Tour attendee and Youth Leadership Council student Nick Thomas was also at our annual meeting and delivered his YLC speech to the audience. Nick touched on his experience growing up with an SREC lineman as a father, and how the dedication of those in the field has inspired him to work hard his entire life. It's been an honor seeing this young man's own diligence shine through his experience as Youth Leadership Council student and as our first ever student-intern engineer.

Our guest speaker was Frank Betley, President & CEO of PREA and Allegheny Electric Cooperative. Frank is (pardon the pun) an electrifying speaker, and it was great to have him at our event. He touched on an issue that is important in the world of energy utilities - nuclear power, a form of energy that has a poor reputation despite its many benefits.



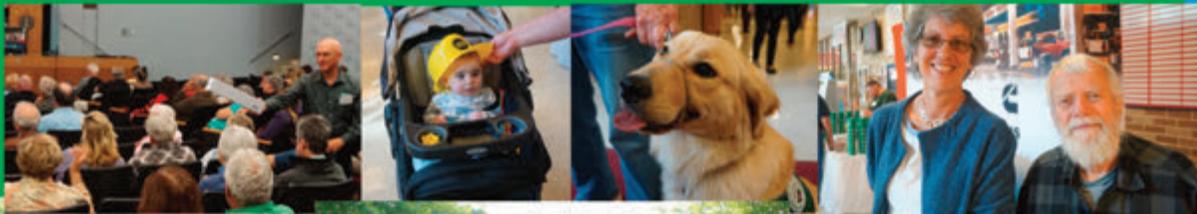
As the most reliable and environmentally friendly form of energy production that currently exists, Frank went over the reasons why it's troubling that some nuclear power plants in Pennsylvania are being shut down. Without this carbon-free form of energy production, cooperatives like ours that power our grids with 58% nuclear would be forced to make up the difference with other, possibly much less clean energy sources.

For his contribution to our event, we presented Frank with a vintage model Ford F100 truck, with SREC branding. These model trucks are the newest in our line of Sussex Rural models presented at our Annual Meeting, and were another hit with the crowd. When the time for prizes came, our Board of Directors distributed many of these to the excited raffle-winners, alongside other prizes such as Amazon Echo Dots, #MondayMoneySavers-inspired appliances and tools to promote energy efficiency, and the grand prize, a 50" smart television.

After a Q&A session with the members, the Annual Meeting drew to a close. I, and the rest of the employees at Sussex Rural, would like to thank all of the members who attended for making it such a wonderful event. We are an organization founded by, led by, and dedicated to this community, so it is always a pleasure when we get to meet our members face-to-face. We'd also like to thank the staff of High Point Regional High School, and the students from the AV club who helped us set up before the meeting.

For those who didn't attend: you missed a truly special evening, and we hope to see you next year. While you can't experience the food we served or the thrill of winning a prize drawing, you can get a glimpse of our presentation and our phenomenal guest speakers by watching the archived video of the meeting. The recorded 82nd Annual Meeting can be found on our website www.sussexrec.com or on [Vimeo.com](https://www.vimeo.com), on the channel Sussex Rural.





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