

STEUBEN RURAL ELECTRIC COOPERATIVE, INC.

# THE ENERGIZER

Annual Meeting Special Edition October 2014

## OFFICIAL NOTICE

In accordance with Article III, Section 7, of the Bylaws, this Annual Meeting news-letter serves as your Official Notice of the October 11, 2014, Annual Meeting of the Steuben Rural Electric Cooperative, Inc. at the Bath Haverling High School in Bath, New York.

Programs containing all reports will be available at the Annual Meeting and at the Bath and Cherry Creek Offices prior to the date of the meeting



## 70th ANNUAL MEMBERSHIP MEETING

Saturday, October 11, 2014

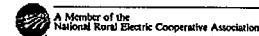
BATH HAVERLING  
HIGH SCHOOL  
25 ELLIS AVENUE  
BATH, NEW YORK

9:00 am Registration  
11:00 am Business Meeting  
Election of Directors

**ALL MEMBERS ARE CORDIALLY  
INVITED TO ATTEND**

The purpose of this meeting is to elect directors, give reports for the previous fiscal year, and transact any business that may come before the meeting.

Since this meeting is held annually, we welcome your comments and suggestions regarding meeting reports, speakers, and meeting activities. Please let us know if there is any way we can improve this important function. Remember, it's your meeting and that's what a cooperative is all about.



## PRESIDENT'S INVITATION

I would like to take this opportunity, on behalf of the Board of Directors, to invite all member/owners to the 70th Annual Membership Meeting in 2014.

This year's meeting will be highlighted by the members voting to fill three of the nine director seats. Please try to attend the meeting to vote for the candidates of your choice.

The rest of the business meeting will be devoted to discussion of current issues concerning the Cooperative. Following the business portion of the meeting there will be ample time to answer your questions. At the conclusion of the question and answer period there will be a chicken barbeque dinner prepared by Stearns Poultry Farm. Following dinner, the meeting will reconvene for results of the voting and door prizes.

I look forward to seeing and talking with you at the meeting.

**DIRECTOR ELECTION 2014-2017****District 3**

Urbana, Wayne, Bradford, Hornby, Orange

**Joseph Hauryski**

Mr. Hauryski and his wife, Sharon, reside on County Road 17 in Bradford, New York. He has been a member of the Cooperative for 10 years and has served on the Board of Directors since 2005. He currently serves as Secretary of the Board and has held this position for seven years.

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

He is a member of St. Stanislaus Church in Bradford and the Bath Elks Lodge. He currently serves as Chairman of the Steuben County Legislature.

**Phillip M. Cogswell**

Mr. Cogswell and his wife, Lisa reside at 9920 Nadjadi Road in Savona, New York and have been members of the Cooperative since 2006.

Mr. Cogswell obtained an AS Degree from Corning Community College in Math/Science and a BA in Biology/Chemistry from Canisius College in Buffalo. He is the sole proprietor of GHM Environmental (1992) and JG Cogswell Gunsmithing (2010).

He has been a member of the Town of Bradford Council since 1994 and a member of the Board of Education of Bradford School for 11 years, is a member of the Keuka Lake Players, member of NRA and NAHC.

**District 4**

Bath

**Gary Brockway**

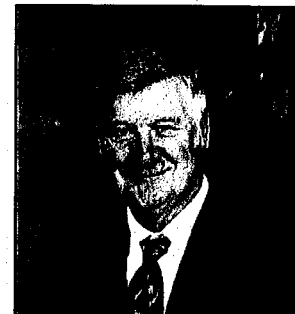
Mr. Brockway and his wife, Barbara, currently reside on Round Lake Road in Savona, New York. He has been a member of the Cooperative since 1996 and a member of the Board of Directors since 2010.

He obtained his degree in Business Administration from Alfred University and was employed for 30 years with the County of Steuben having retired in 2005 as Employment Program Coordinator with the Department of Social Services.

He is a past member of the Avoca Hose Company, Avoca Volunteer Ambulance and Village Board.

**District 6**

Thurston, Campbell &amp; Rathbone

**Gordon Foster**

Mr. Foster resides on Hanrahan Road in Thurston, New York and has been a member of the Cooperative for 48 years. He has served on the Board of Directors for the past 32 years and currently serves as President of the Board. He is active with the NYSRECA statewide organization and NYAPP.

He obtained his AAS Degree in Engineering Sciences from Alfred Agricultural and Technical College and was employed with Corning Inc. as a Technologist until retiring in 2005. He continues to manage a 750-acre replacement farm in Risingville and serves as Thurston Town Assessor. Mr. Foster is a member of Risingville Church

**DIRECTOR QUALIFICATIONS**

In order to be elected to the Board as a Director, candidates must meet the following qualifications (see Bylaws, Article IV Directors, Section 2 Qualifications & Tenure): Directors shall be elected by ballot at each annual meeting of the members, by and from the members, to serve until the third succeeding annual meeting of the members or until their successor shall have been elected and shall have qualified. No person shall be eligible to become or remain a director or to hold any position of trust in the Cooperative who: (A) Is not a member and bona fide resident of the district within the Cooperative for which the director was elected to serve; (B) Is in any way employed by or financially interested in a competing enterprise or a business selling electric energy, equipment or supplies to the Cooperative; (C) Is an employee of the Cooperative or has been an employee of the Cooperative within five (5) years from the date of the annual meeting at which the nomination will come to a vote; (D) Is unable to read, write and speak in the English language; (E) Is not able to enter into a legally binding contract; (F) Is a convicted felon; (G) Who has had bills owed to the Cooperative delinquent for more than ninety (90) days within the past two (2) years.

**CERTIFICATION OF NOMINATING COMMITTEE**

The Nominating Committee certified to the Board of Directors as required by the Bylaws, that they made a prudent effort to nominate at least two nominees from each district scheduled for election and were able to find only one candidate willing to be nominated for the position of director from District 4 and District 6.

**NOMINATIONS**

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

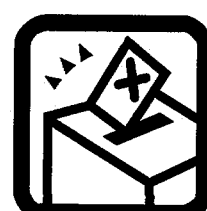
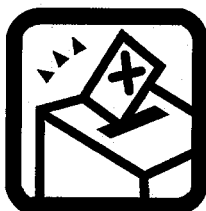
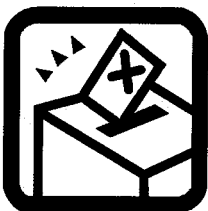
Any fifteen (15) or more members acting together may make other nominations by petition not less than fifteen (15) days prior to the meeting, and the Cooperative shall post such nominations, under the direction of the Secretary of the Board of Directors, at the same place where the list of nominations made by the committee is posted. Under the direction of the Secretary of the Board of Directors, the Cooperative shall mail with notice of the meeting or separately, but at least seven (7) days before the date of the meeting, a statement of the number of directors to be elected and the names and addresses of the candidates, specifying separately the nominations made by petition, if any. Nothing contained herein shall, however, prevent additional nominations from the floor at the meeting of the members. Additional nominations made by petition or from the floor shall be for the respective districts scheduled for election. The nominee in each district receiving the highest number of votes cast shall be deemed elected to the Board of Directors.

**VOTING PROCEDURES**

**Voting at the Meeting:** Elections are to fill three Board seats, District 3, 4, and 6 for a three-year term. You will receive an Official Voting Ballot when you register at the Annual Meeting. Ballots will be collected and tabulated during the business meeting. If you are unable to attend the meeting, you may vote by proxy.

**Proxy Voting:** If you are unable to attend this year’s meeting, you may vote for candidates on the election slate by obtaining a proxy. A member may give his proxy only to another member, and no person may hold more than one (1) proxy at any meeting. The presence of a member at a meeting shall revoke a proxy theretofore executed by him and such member shall be entitled to vote at such meeting in the same manner and with the same effect as if he had not executed a proxy.

**To obtain a Proxy:** (1) Call the Bath Office at 607-776-4161 or 800-843-3414 or the Cherry Creek Office at 716-296-5651 or 800-883-8236 and request a proxy. Please have your account number available when you call. The proxy will be mailed to you. (2) Apply at either the Bath or Cherry Creek Office in person. Only a member may apply in person and **ONLY THE MEMBER GIVING THE PROXY TO ANOTHER MEMBER MAY OBTAIN A PROXY.**





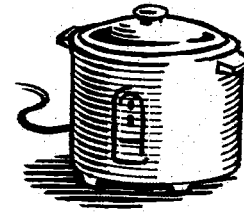
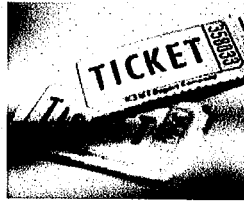
Come early and enjoy fresh coffee and donuts, cheese and crackers, milk punch, together with comradeship with your fellow members, Directors and Employees of SREC.

**RAFFLE TICKETS**

Don't forget to purchase your raffle tickets for \$1.00 each.

The holder of the winning ticket will receive a gift certificate from Sears with a value of \$400 to be used toward the purchase of an electrical appliance.

**ONLY MEMBERS MAY PURCHASE RAFFLE TICKETS AND MUST BE PRESENT TO WIN**



One door prize per membership is awarded during and after the business portion of the meeting. All door prizes are displayed prior to and during the meeting. (Ticket provided at registration - one ticket)

**UPON REGISTRATION YOU WILL RECEIVE A \$25.00 GIFT CERTIFICATE TO BE USED AT THE COOPERATIVE TOWARD YOUR ELECTRIC BILL (Only one certificate per membership)**  
Expiration Date of 01/31/15 will apply

**STATEMENT OF NONDISCRIMINATION**

Steuben Rural Electric Cooperative is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint form, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

STEUBEN RURAL ELECTRIC COOPERATIVE, INC. & SUBSIDIARY  
CONSOLIDATED BALANCE SHEETS

<u>ASSETS</u>	December 31	
	2013	2012
Electric Plant		
In service - At cost	\$ 51,131,915	\$ 50,037,963
Construction in progress	396,657	417,387
Total Electric Plant	51,528,572	50,455,350
Less:		
Provision for depreciation	16,998,098	16,179,788
Retirement work in progress	(20,593)	(32,946)
Less: Subtotal	16,977,505	16,146,842
Net electric plant	34,551,067	34,308,508
Other Assets:		
Temporary investments	454,422	686,571
Investments in associated organizations	642,960	641,039
	1,097,382	1,327,610
Current Assets:		
Cash - General Fund	1,518,778	821,061
Accounts receivable, less allowance for doubtful Accounts of \$15,000 in 2013 & 2012	2,037,589	1,664,584
Accounts receivable - Other	261,641	211,332
Materials and supplies	431,632	486,226
Prepaid expenses	102,511	85,260
Total current assets	4,352,151	3,268,463
Non-current assets:		
Other regulatory assets	1,355,886	286,702
Deferred charges	450,487	506,617
Total non-current assets	1,806,373	793,319
<b>TOTAL ASSETS</b>	<b>\$41,806,973</b>	<b>\$39,697,900</b>
<u>LIABILITIES AND MEMBERS' EQUITIES</u>		
Members' Equity:		
Memberships	\$ 282,905	\$ 276,105
Patronage Capital	11,975,067	10,729,644
Other Equities	892,093	696,127
Total members' equities	13,150,065	11,701,876
Long-term debt	23,534,374	18,566,796
Current liabilities:		
Current maturities of long-term debt	3,369,400	4,756,997
Line of credit	-	3,718,586
Accounts payable	734,944	235,755
Customer deposits	77,304	80,371
Accrued expenses	613,538	312,858
Total current liabilities	4,795,186	9,104,567
Deferred credits:		
Post retirement benefits	327,348	324,661
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$41,806,973</b>	<b>\$39,697,900</b>

STEUBEN RURAL ELECTRIC COOPERATIVE, INC. & SUBSIDIARY  
CONSOLIDATED BALANCE SHEETS

	December 31	
	<u>2013</u>	<u>2012</u>
Operating revenue	\$ 12,240,618	\$10,731,292
Operation and maintenance expenses:		
Cost of power	3,540,825	3,020,038
Distribution-Operation	1,602,917	1,466,960
Distribution-Maintenance	1,276,335	1,206,879
Consumer accounts	454,041	423,278
Gas rites	120,653	7,972
Administrative & general	<u>1,677,500</u>	<u>1,432,269</u>
 Total operation and maintenance expenses	 8,672,271	 7,557,396
Other operating expenses:		
Depreciation & amortization	1,092,429	1,066,596
Interest on long-term debt	860,106	886,827
Interest on line of credit	7,433	63,648
Other deductions	<u>80,145</u>	<u>138,639</u>
 Total cost of electric service	 <u>10,712,384</u>	 <u>9,713,106</u>
 Net operating margins	 <u>1,528,234</u>	 <u>1,018,186</u>
Non-operating margins:		
Interest income	31,226	31,396
Miscellaneous non-operating income	(21,155)	63,586
Other capital credits & patronage dividends	<u>31,897</u>	<u>34,489</u>
 Net non-operating margins	 <u>41,968</u>	 <u>129,471</u>
 NET MARGINS	 1,570,202	 1,147,647
 Patronage capital, beginning of year	 <u>10,729,644</u>	 <u>9,784,988</u>
 Sub-total	 12,299,846	 10,932,645
 Retirement & forfeitures of capital credits	 <u>(324,779)</u>	 <u>(203,001)</u>
 PATRONAGE CAPITAL, END OF YEAR	 <u>\$ 11,975,067</u>	 <u>\$10,729,644</u>

THE FULL AUDIT REPORT  
MAY BE SEEN AT  
THE  
BATH OR CHERRY CREEK OFFICE  
OR AT THE  
REGISTRATION DESK AT THE ANNUAL MEETING

STEUBEN RURAL ELECTRIC COOPERATIVE, INC. BOARD OF DIRECTORS

District 1 - James McCormick  
Wayland, Cohocton, Fremont,  
Avoca, Hornellsville, Hartsville  
Greenwood, West Union

District 2 - Janice Hoad  
Cameron, Howard

District 3 - Joseph Hauryski  
Urbana, Wayne, Bradford,  
Hornby, Orange

District 4 - Gary Brockway  
Bath

District 5 - Jennifer Thurber  
Canisteo, Jasper, Troupsburg  
Woodhull

District 6 - Gordon Foster  
Thurston, Campbell, Rathbone

District 7 - Robert Nichols  
Addison, Erwin, Corning,  
Tuscarora, Lindley

District 8 - Laurence Ells  
Cattaraugus County

District 9 - William Moss  
Chautauqua County

**ACRE** Co-op Owners  
for Political Action

The ACRE Co-op Owners for Political Action program is an exciting new opportunity for residential consumer owners to strengthen their voice in the political process. ACRE is funded by contributions from employee, directors and membership from across the United States. We must maintain a voice on Capitol Hill in order to help shape future laws in favor of Cooperative principles. For over 30 years, the Action Committee for Rural Electrification® (ACRE®) has been working to support candidates for the U.S. Senate and House of Representatives who understand and support electric Cooperatives and their consumer-owners. Now through the special new program, ACRE Co-op Owners for Political Action, you as a consumer-owner, have the ability to strengthen this support and join the over 25,000 members of ACRE. We hope that you will consider this program. Together we will continue to fight for a viable environment for electric Cooperatives and the quality of life of the people and communities Cooperatives serve. It is easy to participate in ACRE through the ACRE Co-op Owners for Political Action Program. You may contribute through an addition to your monthly electric bill by completing the authorization form below.

Please add the following amount to my electric bill:

\_\_\_\_\_ Regular ACRE Member: \$2.08 per month (\$25.00 per year)

\_\_\_\_\_ Century Club Member: \$8.03 per month (\$100.00 per year)

\_\_\_\_\_ President's Club Member: \$41.60 per month (\$500.00 per year)



I affirm that my contribution has been made with Non-corporate funds:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Account #: \_\_\_\_\_ Signature: \_\_\_\_\_

\*Federal Election Law requires the following information for contributions equal to or exceeding \$200:

Employer: \_\_\_\_\_ Occupation: \_\_\_\_\_

Contributions to ACRE/ACRE Co-op Owners for Political Action are strictly voluntary. Contributions to federal and state Political Action are strictly voluntary. Contributions to federal and state Political Action Committees are not deductible for tax purposes. Consumer owners have the right to refuse to contribute without reprisal. The contribution guidelines are suggestions only. You may contribute ore or less than the suggested amount. Contributions may be stopped at any time upon notification to the cooperative.

## CHICKEN DINNER

**\$2.00 PER PERSON**

### MENU

One-Half Barbecued Chicken  
Tossed Salad, Cole Slaw, Baked Beans  
Roll and Butter  
Coffee/Tea/Milk  
Vanilla or Chocolate Ice Cream

Catered by Stearn's Poultry Farm  
Andover, New York

### REMINDER

1. Menu is served buffet style
2. Handicapped members are seated first
3. The barbecue is limited to members and their spouse or companion and children living at home.
4. Reservation deadline **October 3, 2014**

NAME \_\_\_\_\_

ACCOUNT NO. \_\_\_\_\_

NO. DINNERS AT \$2.00 EACH \_\_\_\_\_

TOTAL DUE: \$ \_\_\_\_\_

**CHICKEN DINNERS ARE NOT AVAILABLE FOR TAKEOUT.**

## SUPERVISED CHILD CARE

Supervised child care will be available for children ages 2 to 8. Child care will be provided from 9:00 a.m. until the end of the meeting. We do require parents to accompany their children to the chicken barbeque in the cafeteria. A variety of activities and snacks will be provided to make your child's day enjoyable.

Please return this form to the Bath or Cherry Creek Office by Friday, **October 3, 2014** if you want to take advantage of this service.

Parent(s) Name \_\_\_\_\_

Child's Name \_\_\_\_\_ Age \_\_\_\_\_

Child's Name \_\_\_\_\_ Age \_\_\_\_\_

Child's Name \_\_\_\_\_ Age \_\_\_\_\_

Child's Name \_\_\_\_\_ Age \_\_\_\_\_

## BUS RESERVATIONS

### SCHEDULE

	Bus	Bus
	Departs	Returns
Cherry Creek Office	7:45 am	6:00 pm
Leon Fire Department	8:05 am	5:40 pm
New Albion Four Corners	8:25 am	5:20 pm

**BUS TRANSPORTATION:** Free bus transportation is available to members living in the Cherry Creek area; however, advance reservations must be made. To reserve seats, please call the Cherry Creek Office at 716-296-5651 or 800-883-8236 or return this form prior to the reservation deadline.

**REFRESHMENTS:** Coffee and donuts will be available at 7:30 am to members departing from the Cherry Creek Office. The bus will make a refreshment stop at Burger King in Salamanca, New York on the return trip to Cherry Creek.

**DRIVING DIRECTIONS:** If you decide to drive instead of taking the bus, take Exit 38 off Interstate 86. Proceed to State Route 415 (West Washington Street) to Ellis Avenue and follow the annual meeting signs.

Member Name: \_\_\_\_\_

Number Riding Bus: \_\_\_\_\_

Pickup Point: \_\_\_\_\_ Cherry Creek Office; \_\_\_\_\_ Leon Fire Department;

\_\_\_\_\_ New Albion Four Corners

**BUS RESERVATION DEADLINE, FRIDAY, OCTOBER 3, 2014**