

STEUBEN RURAL ELECTRIC COOPERATIVE, INC.

THE ENERGIZER

Annual Meeting Special Edition October 2015

OFFICIAL NOTICE

In accordance with Article III, Section 7, of the Bylaws, this Annual Meeting newsletter serves as your Official Notice of the October 10, 2015, Annual Meeting of the Steuben Rural Electric Cooperative, Inc. at the Canisteo-Greenwood High School in Canisteo, 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

71st ANNUAL MEMBERSHIP MEETING

Saturday, October 10, 2015

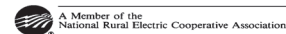
**CANISTEO-GREENWOOD
HIGH SCHOOL
84 GREENWOOD STREET
CANISTEO, NEW YORK**

**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 71st Annual Membership Meeting in 2015.

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 2015-2018

District 5

Canisteo, Jasper, Troupsburg, Woodhull



Jennifer Thurber

Mrs. Thurber and her husband, Bob, reside in the Town of Jasper and have been Cooperative members for 18 years. She recently obtained her Credentialed Cooperative Director's certificate and has a strong family connection to SREC as both her grandfather and father were SREC directors.

Jennifer attended Jasper Central School and Olean Business Institute. She is employed as Chief Operations Officer for Family Service Society in Corning and serves on the Finance, Management, Personnel and Bylaws Committees. She is a member of the United Church of Jasper.

Jennifer has two sons; Adam and Brennan.

District 7

Addison, Erwin, Corning, Tuscarora, Lindley



Robert Nichols

Mr. Nichols and his wife, Susan, reside in the Town of Tuscarora and operate a dairy farm with their son Dan. He has been a Cooperative member for 41 years and a Board member since 2003 and currently serves as Treasurer.

He is a graduate of Corning Community College and Cornell University. He currently serves as Town of Tuscarora Supervisor; President of the Addison Milk Cooperative; 17 years as Deacon at the Tuscarora Baptist Church; is a member of the Addison Fish & Game Club; Steuben County Farm Bureau Board of Directors; and served as a Steuben County Legislator for 12 years.

Bob has 5 adult children and 16 grandchildren.

District 8

Cattaraugus County



Laurence Ellis

Mr. Ellis and his wife, Carol, reside in the Town of Leon. He has been a Cooperative member for 40 years and director for 34 years. He was employed as an iron worker for 32 years and dairy farmer from 1965 to 1979.

Mr. Ellis is a 51 year member of the Leon Fire Department and served as President for 22 years. He is a member of the St. Mary's Church in Cattaraugus, New York.

He currently serves as Vice-President of the New York State Rural Electric Cooperatives Association and is active in lobbying efforts coordinated by the Association in Albany and by NRECA in Washington, DC each year.

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.



James Symonds

Mr. Symonds and his wife, Kathy, reside in the Town of Addison. He has been a Cooperative member for 41 years and has three children, Trina, Laura, and Troy. He also has seven grandchildren.

He is a 1969 graduate of Addison Central School and a 1972 graduate of Corning Community College and was formerly employed by Corning Building Co. He has been employed with Erie Materials since 1996.

Mr. Symonds is a member of Addison Union #118; Free and Accepted Masons serving as Secretary of the Lodge and enjoys golfing and wood working in his free time.

Nominating Committee Members

- District 1: Curt R. Williamson
- District 2: Donna Bossick
- District 3: Camelia Oswald
- District 4: Walter Longwell
- District 5: Loren Hayes
- District 6: Deborah Pearl
- District 7: Dean Bartholomew
- District 8: S. Ann Maloney
- District 9: Vacant

Please take a moment to thank the members of the committee for their dedication and assistance.

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 5 and District 8.

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 5, 7, and 8 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.**





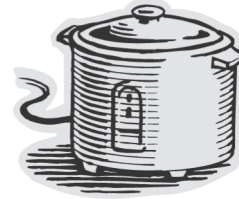
Come early and enjoy fresh coffee and donuts, cheese and crackers, milk punch, together with comradeship with your fellow members, Directors and Employees of SREC.

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 per membership)

**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 01/31/16 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, 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.

**NOTE CHANGE IN LOCATION OF ANNUAL MEETING
CANISTEO-GREENWOOD HIGH SCHOOL
84 GREENWOOD STREET, CANISTEO, NEW YORK 14823**

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

<u>ASSETS</u>	December 31	
	<u>2014</u>	<u>2013</u>
Electric Plant		
In service - At cost	\$ 52,089,321	\$ 51,131,915
Construction in progress	232,999	396,657
Total Electric Plant	52,322,320	51,528,572
Less:		
Provision for depreciation	18,053,638	16,998,098
Retirement work in progress	(12,260)	(20,953)
Subtotal	18,041,378	16,977,505
Total Electric Plant - Net	34,280,942	34,551,067
Other Assets:		
Temporary investments	251,855	251,559
Investments in affiliates	865,575	842,962
Total Other Assets	1,117,430	1,094,521
Current Assets:		
Cash and Cash Equivalents	2,575,858	1,521,639
Accounts receivable - Net	1,839,374	2,037,589
Other accounts receivable	223,130	261,641
Inventory	464,647	431,632
Prepaid expenses	146,446	102,511
Total current assets	5,249,455	4,355,012
Non-current assets:		
Other regulatory assets	1,205,362	1,355,886
Deferred charges	382,272	450,487
Total non-current assets	1,533,634	1,806,373
TOTAL ASSETS	\$42,181,461	\$41,806,973
 <u>LIABILITIES AND MEMBERS' EQUITIES</u>		
Members' Equity:		
Memberships	\$ 289,205	\$ 282,905
Patronage Capital	13,629,692	11,975,067
Other Equities	973,217	892,093
Total Members' Equity	14,892,114	13,150,065
Long-term debt - Net	23,935,498	25,453,395
Current liabilities:		
Long term debt - current maturities	1,517,897	1,450,379
Accounts payable	913,865	734,944
Customer deposits	69,311	77,304
Other liabilities	574,931	613,538
Total Current Liabilities	3,076,004	2,876,165
Deferred credits:		
Other Postretirement Benefits	277,845	327,348
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$42,181,461	\$41,806,973

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

	December 31	
	<u>2014</u>	<u>2013</u>
Operating revenue	\$ 14,023,503	\$12,577,566
Operation and maintenance expenses:		
Cost of power	4,415,511	3,540,825
Distribution-Operation	1,507,824	1,602,917
Distribution-Maintenance	1,382,751	1,276,335
Consumer accounts	393,201	454,041
Gas rights	377,634	120,653
Administrative & general	<u>1,802,021</u>	<u>1,677,500</u>
 Total Operation and Maintenance Expenses	 9,878,942	 8,672,271
Other operating expenses:		
Depreciation Expense	1,433,385	1,429,377
Interest Expense - Long-Term Debt	867,710	860,106
Interest Expense - Other	4,215	7,433
Miscellaneous Expenses	<u>8,514</u>	<u>80,145</u>
Total Other Operating Expenses	<u>2,313,824</u>	<u>2,377,061</u>
 Total Cost of Electric	 <u>12,192,766</u>	 <u>11,049,332</u>
 Net operating margins	 <u>1,830,737</u>	 <u>1,528,234</u>
Non-operating margins:		
Interest income	36,481	31,226
Other Capital Credits & Patronage Dividends	44,984	31,897
Miscellaneous Non-Operating Income (Expenses)	<u>55,199</u>	<u>(21,155)</u>
 Net Non-Operating Margins	 <u>136,664</u>	 <u>41,968</u>
 NET MARGINS	 1,967,401	 1,570,202
 Patronage capital, Beginning	 11,975,067	 10,729,644
 Less - Retirement & Forfeitures of Capital Credits	 <u>(312,776)</u>	 <u>(324,779)</u>
 PATRONAGE CAPITAL, ENDING	 <u>\$ 13,629,692</u>	 <u>\$11,975,067</u>

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

STEBEN 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



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 more 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 2, 2015**

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 2, 2015** 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, at Exit 34A on I-86 East/Rt-17 East take ramp right for Rt-36 South toward Hornell. Keep straight on Rt-21 S/Rt-36S/W Genesee St (2.5 mi). Keep straight onto Rt-36 S/Maple City Dr N (5.3 mi) Bear right onto Rt-248 and follow the annual meeting signs.

Member Name: _____

Number Riding Bus: _____

Pickup Point: _____ Cherry Creek Office; _____ Leon Fire Department;
_____ New Albion Four Corners

_____ New Albion Four Corners
BUS RESERVATION DEADLINE, FRIDAY, OCTOBER 2, 2015