

from Richard G. Johnstone, Jr. President & CEO

May 8, 2019

### Co-op Annual Meetings

# Intro of New CEO, 'Luck of the Draw' Scholarships Highlight Choptank Annual Meeting

A new CEO, a dozen college scholarships and an inspiring talk from a youth leader were among the big menu items at **Choptank Electric Cooperative's 81**<sup>st</sup> **annual meeting**.



Board Chairman Jeffrey D. Rathell Sr. presided over an audience of more than 250 that packed The Milestone in Easton, Maryland, on April 25, to review the co-op's work in 2018 and to look to the future.

"The co-op is the anchor in rural communities. We're the folks who solve your problems a lot of times," said **Mike Malandro**, who took over as **president and CEO** last month following **the retirement of Mike Wheatley**.

"What you have to do is pull together as a community," urged Mike, who led Prince George Electric Cooperative's involvement in broadband, known as Ruralband, during his time as president and CEO there.

More than 250 people gather in Easton, Maryland, for Choptank Electric's annual meeting.

Though he received a few jeers in Baltimore Ravens territory for

acknowledging his love of the NFL's **Pittsburgh Steelers**, Mike promised to continue the innovative operations of **Fred Hubbard** and **Mike Wheatley**, the two CEOs who preceded him.

A typical IOU receives \$75,000 in revenue per every mile of line; that figure drops to \$16,000 for a co-op, Mike noted. "So you can imagine how efficient we have to be, and we do that through technology and we do that through ingenuity."

During the business meeting, members learned that the co-op is on **sound financial footing**. Revenue was strong at \$146 million, with purchased power accounting for about 54 percent of expenses, Secretary-Treasurer **Doug Scott** reported.

With assets of \$411 million, Choptank gained **\$11 million** in its operating margin and has an equity level of **37.9 percent**, surpassing the board's target and enabling the co-op to continue to borrow money at favorable rates.



Mike Malandro speaks as the new president and CEO of Choptank Electric Cooperative.

"The cooperative had a solid financial year in 2018," Doug said of the audited financial results.

**Three members were elected** to serve three-year terms on the 10-member Choptank Board of Directors. Running unopposed were **Matthew R. Holloway**, representing Wicomico County, and **Donna Richardson West**, representing Worcester County. Matthew is a Salisbury businessman who has been on the Choptank board since 2014. Donna was appointed last September, following the **retirement of David Bruning**.

**Amy Brandt Ireland** will succeed **Francis "Sonny" Callahan Jr.** as the director from Caroline County. Sonny retired in March after 21 years on the board. Amy is no stranger to electric co-ops — she participated in the **NRECA Electric Cooperative Youth Tour** as a junior at North Caroline High School. The Denton resident is a partner in an accounting firm; she and husband Nick have three children.

While Amy was a past Choptank Youth Tour participant, **Brandon Foy** of St. Michaels brought everyone up to date as the most recent Maryland representative on the **NRECA Youth Leadership Council**, which includes one delegate from each state for intensive study of the co-op business.

Brandon said the experience reinforced his decision to become a naval aviator and then return to serve his community. He noted that he met with **U.S. Rep. Andy Harris** of Maryland and the staffs of U.S. Sens. **Chris Van Hollen** and **Benjamin Cardin** to talk about the opioid crisis.

"Opportunities can be presented to youth if you put yourself out there and take the initiative" said Brandon, who hopes to meet with Choptank leaders and members to find new ways to ensure students return to the Eastern Shore after they complete their studies.

"Combating the 'brain drain' needs to be a priority for co-ops, especially for Choptank because some people don't see the benefit of staying in a rural town," Brandon said. "It is an issue that needs to be addressed all over rural America."



Choptank Electric Co-op serves its youth with a dozen college scholarships presented at the annual meeting.

Choptank is fueling some of that local brainpower with a dozen scholarships presented at the annual meeting. They were part of the co-op's **"Luck of the Draw"** contest, in which students planning for higher education received a raffle ticket when their parents registered at the meeting.

In all, Choptank distributed \$1,000 educational scholarships to 10 winners, and also awarded a pair of \$2,000 scholarships in honor of retired directors Bruning and Callahan.

Other speakers at the meeting included State Sen. Adelaide C. Eckhardt and Delegate Johnny Mautz, who both represent the Eastern Shore and praised Choptank as a hub of the community.

"It's important that you're here to vote, to participate and to keep everybody grounded and to do the right thing," Eckhardt said. Added Mautz: "Choptank does such a great job of keeping us connected. ...We're blessed that we have this co-op."

In addition to the official program, the annual meeting featured a recycled center for old-age electronics such as laptops, cell phones and even cathode-ray TV sets that might otherwise have ended up in a landfill.

-Report by Steven Johnson, VMD Association Director of Member & Public Relations.

### Co-op Honors

# BARC Receives Cornerstone Award from Broadband Communities Magazine

BARC Electric Cooperative (BARC) has received *Broadband Communities* magazine's 2019 Cornerstone Award, given annually to organizations to recognize notable achievements in building fiber-to-the-home networks.

Nominated by **Alianza**, the voice platform provider for **BARC Connects**, BARC was recognized for being the **first internet service provider** launched by an electric cooperative in Virginia and its notable deployment of fiber-to-the-home in its service territory, beginning in Rockbridge County.

BARC also received kudos for its marketing approach, including its **"BARC if you want broadband"** campaign, and the creation of **Butch, the BARC mascot**.

"The people of the Shenandoah Valley and Allegheny mountain region are clamoring for modern broadband," said BARC CEO **Mike Keyser**.



BARC CEO Mike Keyser holds the Cornerstone Award, flanked (from left) by Sean Buckley, associate editor of Broadband Communities; Masha Zager, editor in chief; and Steve Ross, editor-at-large.

"As a highly unserved geographic area, to date they've relied on dial-up, DSL, or satellite. BARC Connects is now delivering fixed residential and commercial packages beginning at 50 Mbps download/10 Mbps upload and up to gigabit speed at affordable prices," Mike added.

A committee of industry leaders, analysts, and writers selected by *Broadband Communities* bestows the annual Cornerstone awards to private developments, municipalities, communities, companies and individuals with **outstanding accomplishments** in the area of **delivering telecommunications for the benefit of end users**.

BARC Electric first brought electricity to the community in 1939. Five years ago, BARC recognized that a fiber-optic network is key to operating and maintaining a modern electric grid and set to work **developing a business plan**.

BARC's fiber deployment enables it to better monitor and optimize the electric grid, while BARC Connects is leveraging the investment to deliver **a suite of modern broadband solutions** to its community.

"Every day we are connecting new customers to our broadband network and hearing new stories about how our service is improving their quality of life. It's been very rewarding to hear those stories," Mike said.

-Report by Tish Blackwell, Communications Specialist, BARC Electric Cooperative.

#### Co-op Spirit

## Mecklenburg's Inspiring Story of a Co-op Family Coming Together

Look no further than **Mecklenburg Electric Cooperative** for an inspiring example of how **a co-op family comes together** in a time of crisis.

Last August, **Daryl Lawson**, the sons of MEC employees **Randy and Priscilla Whirley**, was seriously injured in an ATV accident that left him paralyzed from the waist down. Priscilla spent weeks of her time with her son at a rehab facility in Atlanta, with Randy alternating work with the long trips to be at Daryl's side.



Employees of Mecklenburg Electric Cooperative take a break during construction of the wheelchair ramp they would finish later that day at their coworkers' home. (Photo: Priscilla Lawson Whirley)

Meanwhile, **the co-op reached out in heartwarming fashion**, keeping the family stocked with necessities. Employees raised money to help with the Whirleys' expenses while **crews built a wheelchair ramp for Daryl** upon his return to his home.

"Some of them even worked inside the house to help widen doorways and prepare Daryl's bedroom," said Randy, a rightof-way coordinator at MEC. "We didn't ask them to. They offered to volunteer their personal time — time that they could have been spending with their own families — to help ours."

The emotional story attracted the attention of **NRECA's Erin Kelly**, who reported on it for **electric.coop**, the association's news site. At press time, it had received **more than 5,000 views**. Read the story at this link. But don't be surprised if you end up with **a lump in your throat**.

#### https://www.electric.coop/mecklenburg-electric-employees-build-wheelchair-ramp-for-coworker/

-Report by Steven Johnson, VMD Association Director of Member & Public Relations.

### Co-op Milestones

# Delaware Electric Cooperative Installs 100,000<sup>th</sup> Meter

Delaware Electric Cooperative has installed its 100,000<sup>th</sup> meter, a major milestone for the not-for-profit utility founded back in 1936. The 100,000<sup>th</sup> meter was installed to serve a pole barn on the property of Erica Campbell outside of Greenwood in Sussex County. The property was one of the first electrified by the Cooperative in the late 1930s – DEC's Kratz Substation, the first to be built by the Co-op, is located about one mile away from Campbell's property.

According to DEC President and CEO **Bill Andrew**, "It only seems appropriate that the Co-op's 100,000<sup>th</sup> meter will power a barn, near a farmhouse dating back to 1900. We were founded to serve our rural communities. While a lot has changed since 1936, we are very proud of our history and are excited to be able to serve Erica Campbell and so many other farms, homes and businesses in Kent and Sussex Counties."



Co-op Master Meter Technician Gary Pusey sets the 100,000<sup>th</sup> meter near Greenwood. "It's quite an honor," Gary noted. "I was thrilled when Bill (Andrew) asked me to do this."

To mark the occasion, Campbell was given a **model Co-op bucket truck, DEC hat and other goodies**. "It really is an honor. This is a momentous occasion and we've been very happy with the Co-op's service over the past two years," said Campbell.

DEC's Master Meter Technician **Gary Pusey** set the 100,000<sup>th</sup> meter. Gary has **worked at the Cooperative for 48 years** and will retire later this month. When he started, the Cooperative served just 19,000 meters. According to Gary, "It's quite an honor, I was thrilled when Bill asked me to do this. It has been a good ride which is coming to an end in three weeks. This has been a great place to work and I'm very thankful."

The Cooperative is **adding more than 3,000 meters per year**. DEC has **doubled in size since 2000**. By the end of 2019, the Co-op will likely provide electrical service to **more than 102,000 meters**. Delaware Electric Co-op employees are excited to be able to power a growing number of homes and will continue working hard to provide members with affordable, sustainable and reliable power.

-Report by Jeremy Tucker, DEC Manager of Marketing and Communications.

### Youth Education

# More Than \$60,000 Awarded in VMD Scholarships

Some 60 students will get a boost to pursue their higher education goals, thanks to the Education Scholarship Foundation of the Virginia, Maryland & Delaware Association of Electric Cooperatives.

The Foundation recently awarded **more than \$60,000** in scholarships to deserving students whose parents live in areas served by electric co-ops in the three states.

"We commend these students on their outstanding achievements," said **Robbie F. Marchant**, chair of the Education Scholarship Foundation Board and a director at **Shenandoah Valley Electric Cooperative**. "The electric co-ops support them as they pursue their education and then we hope they return to their communities to do great work."

**Fifty-eight students** were awarded **Worth Hudson Scholarships of \$1,000**. The grants are named in honor of **Worth Hudson**, the first chairman of the Education Scholarship Foundation and former chairman of the board of directors of **Mecklenburg Electric Cooperative**.

The Foundation also awarded **two co-op-specific scholarships**. A student in the **Rappahannock Electric Cooperative** service territory was recognized with the **Gertrude Winston Memorial Scholarship (\$1,000)**. The scholarship was established in memory of the mother of long-time REC board member **Richard Oliver**.

The **C.D Hypes Memorial Scholarship (\$1,500)** was awarded to a student in the **Craig-Botetourt Electric Cooperative** territory. Hypes was an educator and director at CBEC.

**Since 2001**, the Foundation has provided **almost 700** scholarships totaling more than \$500,000 to graduating high school students and the next generation of aspiring lineworkers.

"Electric cooperatives have a long commitment to supporting education as a way of enhancing the quality of life in the communities that we serve," said **Richard G. Johnstone Jr.**, president and CEO of the Virginia, Maryland & Delaware Association of Electric Cooperatives. "We're extremely proud to be able to help our member cooperatives' youth further their education."

The Foundation is funded through tax-deductible donations and bequests from individuals, proceeds from benefit fundraising events and CoBank's Sharing Success Program.

-Report by Steven Johnson, VMD Association Director of Member & Public Relations.

### Employee Education

### **Three ANEC Employees Receive VMD Certification**

Last month, the VMD Association had three employees complete Level I Certification in the VMDAEC Contemporary Leadership & Management (CLM) Program.

These Level I graduates all came from **A&N Electric Cooperative**. Lynn Brankley, Holly Bundick and James Schavel achieved Level I status by completing a series of six different CLM workshops. Their achievements give **A&N** a grand total of **20 Level I graduates**.



(L-R) Brian Mosier, VMDAEC; Holly Bundick, James Schavel and Lynn Brankley, A&N; and Sam Bruce, CLM Facilitator celebrate the trio's graduation from Level I of the VMD leadership development program.

Brian Mosier, COO of the VMDAEC said a few words to thank everyone for their dedication to the CLM Program. He and Sam Bruce, CLM facilitator at the VMDAEC, presented each graduate with a certificate.

Thank you to **Butch Williamson**, **president and CEO of A&N Electric Cooperative** for supporting the CLM Program and the development of his employees.

-Report by Brandon Burton, VMD Association Director of Continuing Education.

### Director Education

# Strong Attendance Marks 1<sup>st</sup> Director Training in Palmyra

The new **training center in Palmyra** was the setting for day one of the **April Director Education Day**. **Thirty-one directors** representing **12 of the Association's 15 member cooperatives** participated in the two days of training. On Wednesday, April 10, directors toured the facility prior to lunch.

That afternoon, Association staff members **Brandon Burton**, **Laura Emery** and **Tommy Campbell** taught a class on the Association's **new website** and its **social media presence** on **Facebook**, **Instagram** and **Pinterest**.

The topic on Thursday, April 11 was **cybersecurity**, where attendees gathered at **The Draftsman Hotel in Charlottesville** and heard from **Michael Romano of the U.S. Postal Inspection Service**, **Scott Kaylor from NISC**, **Doug King from Lockheed Martin/Rappahannock Electric** and **NRECA's Barry Lawson**. The presenters shared different perspectives on this ever-growing and changing topic.

Thank you to the attendees from A&N, BARC, Central Virginia, Choptank, Craig-Botetourt, Mecklenburg, Northern Neck, Northern Virginia, Prince George, Rappahannock, Shenandoah Valley and Southside for participating in our first directors' class at the training center.

-Report by Brandon Burton, VMD Association Director of Continuing Education.

### Future Education

# Association Calendar Includes an Array of Classes

The 2019 **workshops and conferences** schedule is posted on the Association website, but it's never too late to make a request. Do you need *continuing education credits* or have an idea or topic for a class? If so, contact **Brandon Burton**, VMDAEC Director of Continuing Education, at <u>bburton@vmdaec.com</u> or (804) 297-3485. We take requests and we can even bring a workshop or class to you!

#### Here's what is coming up:

- ★ May 23: <u>Contemporary Leadership & Management workshop</u> *Leadership through Communication* VMDAEC Headquarters
- ★ May 29-30: HR Roundtable VMDAEC Training Center in Palmyra
- ★ June 18-19: Six Sigma Yellow Belt VMDAEC Training Center in Palmyra
- ★ July 10: Legal Seminar VMDAEC Training Center in Palmyra

-Report by Brandon Burton, VMD Association Director of Continuing Education.

### **Correction**

**BARC Electric Cooperative** took **gold for Best Graphic Design** in the recent **Spotlight on Excellence** awards. The April 19 issue of *Connections* **mistakenly reported** that BARC received a silver award. We apologize for the error.



Saddle Up & Join Us At the 17<sup>th</sup> Annual Gaff-n-Go Lineman's Rodeo Meadow Event Park Doswell, Virginia Friday, May 10 & Saturday, May 11



Times, Events & Lots More Info at www.gaff-n-go.com

See You There!