

August 9, 2019

Co-op Annual Meetings

Community Electric Has 'Clear Vision' at Annual Meeting

With 20/20 vision, you should be able to see the future clearly, and **Community Electric Cooperative's future is a bright one.**

That 20/20 vision, complete with feigned eyewear for some CEC team, was the theme of the co-op's **81st annual meeting**, which attracted **more than 100 members, guests and dignitaries on August 6** to George Tyler Middle School in Windsor, Virginia.

"2018 was a good year for your cooperative," Board Chairwoman **Jeannette S. Everett** told members. "Collectively, we have been working very hard to accomplish our goals and focus on our mission statement: to safely provide our members exceptional, courteous, and reliable services at a competitive cost."

The co-op came very close to meeting its reliability targets and continues to raise the bar with respect to **systems operations and reliability**. **Member satisfaction** checked in with an **88 percent approval rating**, among the highest nationally.

Financially, 2018 was a good year, secretary-treasurer **Diana Beale** reported, with **CEC and Tidewater Energy Services**, its subsidiary, earning a combined profit of more than \$590,000.

The cooperative retired \$357,452 in general capital credits and credits to estates, bringing to **more than \$19 million** the total amount of retired capital credits in the co-op's history.

Other financial highlights included an increase in the electric plant asset, before depreciation, to more than \$53 million, and an increase in operating revenues and expenses to \$26 million and \$25.8 million respectively. In all, net operating margins totaled \$591,000.



Newcomer Jason Carr (c) was elected to the Community Electric Board of Directors along with incumbent Diana Beale (l) and Jeannette Everett.



President and CEO Steve Harmon talks about Community Electric's "20/20 Vision" for the future during the co-op's annual meeting.

In his address, **President and CEO Steve Harmon** emphasized that the co-op must have a **vision for the future** to cope with sweeping changes in the electric utility industry.

"We try to keep our ear to the ground in regard to industry information. We took a real hard look out into the future and put together a presentation called 20/20 Vision," Steve said. "We can react to situations or we can take the bull by the horns."

Steve said the **National Rural Utilities Cooperative Finance Corp.**, the lending arm of co-ops, is supporting a CEC study on cost of service, rooted in technological changes, that could be reflected in rate structures in the coming year.

"We're not a power company but rather your service provider," he emphasized. Steve also took care to **compliment CEC's 33 employees**, with a special nod to line crews that keep power going for 11,000 meters. Members were treated to a video CEC lineworkers explaining their jobs and the training process.

"These are the guys who keep your lights on," said Steve, who presented **Evan Wagensomer** and **Eric Galford** with framed certificates recognizing their graduation to journeyman lineman status after completion of the lineworker certification program through Northwest Lineman College.

The co-op also provided **special recognition** to outgoing director **Carey Copeland** of Suffolk with his wife Claudia for Carey’s long service on the CEC board. Members elected **Jason Carr** of Suffolk, and reelected **Diana Beale** of Isle of Wight County and **Jeannette Everett** of Southampton County. All will serve three-year terms.

The board reelected Jeannette as chairman for the upcoming year, while **Michael A. Faulk** will serve as vice chairman. Diana will be secretary-treasurer with **John Stewart** as assistant secretary-treasurer. A total of 96 members were present with 8,521 proxy submissions.

Entertainment was provided by **Jeremy Davis** and **Clay Johnson**, Savannah, Ga.-based musicians, who travel nationally with the **Fabulous Equinox Orchestra** and perform **big band jazz music**. Jeremy and Clay went at it as a trio with keyboardist **Lucy Kilpatrick** to an enthusiastic reception, especially when the saxophone-trombone artists played music by **Johnny Mercer**.



Outgoing director Carey Copeland (r) receives recognition for his service with his wife Claudia and President and CEO Steve Harmon.



A candy-filled piñata came crashing down after numerous blows as part of Kids' Corner at the Community Electric Cooperative annual meeting.

Another feature of the annual meeting with the **Kids’ Corner**, where the co-op’s youngest members engaged in fun activities such as **coloring** and **piñata smashing**. After the meeting, more than two dozen prizes were handed out to lucky attendees with **Betty Patterson** taking home the grand prize, a \$500 electric bill credit. **Congratulations to Community Electric** on another successful year and annual meeting!

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

A Full Menu of Good Food, Fellowship & Co-op Business at NNEC Annual Meeting

Fried chicken, barbecue, an appreciation and a looming retirement were among the menu items at **Northern Neck Electric Cooperative’s** well-attended **82nd annual meeting**.



Hunter R. Greenlaw, Jr. board chairman of Northern Neck Electric Cooperative, welcomes members to the co-op annual meeting on August 1.

The session, held **August 1** at Northumberland High School in Heathsville, Va., started with dinner — **chicken, barbecue, cole slaw and baked beans** — to feed the **close to 700 members and guests** who came from the six counties that the co-op serves. Director **Russell G. “Rusty” Brown** delivered the invocation, followed by the **National Anthem and the Pledge of Allegiance**.

The appreciation occurred shortly after NNEC Board Chairman **Hunter R. Greenlaw Jr.** kicked off the formal meeting, and it came in the form of a **video tribute to Elnora Tompkins**, former NNEC secretary/treasurer. The 8-minute video had been the prelude to presentation of the **Distinguished Service Award** presented to Mrs. Tompkins at the July 29 meeting of the **Virginia, Maryland & Delaware Association of Electric Cooperatives**.

In attendance with her daughter **Beryl W. Smith**, Mrs. Tompkins received a **rousing ovation** for her **32 years on the co-op board**, primarily as secretary-treasurer, as well as her contributions to the Westmoreland County educational system as a **teacher and counselor**, and to her community. “She is just an amazing person,” Hunter said.

The **retirement announcement** came from the top of the co-op, as **Greg White**, president and CEO, said **he will step down following the 2020 NNEC annual meeting** after a **15-year tenure**. Hunter said a **national search firm** will be employed to find a new CEO. The board hopes to have a new CEO in place by next summer so he or she can work side-by-side with Greg during a transition period. “I have another year to work with you,” Greg assured co-op members.

In reflecting on the 2018, Greg said the co-op did a good job **“weathering the storm,”** — a theme of the meeting since **Wind Storm Riley** and **Tropical Storm Michael** affected the co-op’s territory. In October 2018, Michael knocked out power to about two-thirds of the NNEC membership, but **crews from the co-op** were able to **restore power** within **five days**, thanks in part to **mutual aid** from **other cooperatives**, Greg said. NNEC also **sent crews** to a **North Carolina co-op** to help repair storm-related damage following **Hurricane Florence**. “It was a successful year despite two severe storms,” Greg said.

Other highlights of 2018 included the retirement of \$600,000 in capital credits, continued work on the Avalon substation which should be completed within the next year, and a **positive financial picture** that saw \$39.8 million in operating revenues and a total net margin of nearly \$2.5 million.



Greg White, president and CEO of Northern Neck Electric Cooperative, discusses the adverse effects of Tropical Storm Michael on the co-op's service territory in 2018.



A large and happy crowd of members and guests enjoyed good food, fellowship and co-op business at NNEC's Annual Meeting on August 1 at Northumberland High School.

Greg said the co-op faces an upcoming challenge in the cost of **clearing rights of way**. Contractor costs have risen sharply, and heavy rainfall has spurred heavy overgrowth along rights of way. The result is a backlog of work, and while the co-op has a plan, divided into cycles, to deal with clearings, “we ask that you be patient,” Greg said.

The co-op also continues to **look at opportunities** to improve **broadband access** in parts of its service territory, with one pilot project targeted for Lancaster County in conjunction with Atlantic Broadband. He also discussed the possibility that another company would be offering an upgraded fixed wireless solution throughout the Northern Neck.

The director elections were uneventful. **Rusty Brown**, who has been on the board since 1992, was reelected to another three-year term, as was **Ralph E. Sutton**, a director since 1998. Both were unopposed. Rusty also is the **new secretary-treasurer of the VMD Association**, having been elected at the July 29 annual meeting in Williamsburg.

The **NNEC Meeting ended with smiles as two \$50 cash giveaways** and **numerous prizes** went to members with winning tickets. **Congratulations to NNEC on another successful year and annual meeting.**

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

VMD's 75th Anniversary

Leadership, Service & Celebration Mark VMD/ODEC Meetings

Big band music, big awards, big fundraisers and of course, attention to the important business of the Virginia, Maryland & Delaware Association of Electric Cooperatives were all on display at the Association’s landmark **75th anniversary meeting**.

The historic **Williamsburg Lodge** hosted the **diamond anniversary** celebration of the **VMD Association July 28-29**, and **Herbert Patrick**, outgoing chairman of the **VMD board of directors**, called it **a success story**. “This is truly one of the finest meetings that I have been privileged to be a part of,” he told board members during the July 29 meeting.

Under the theme **“The Power of Teamwork,”** the meeting kicked off on July 28 with a **golf tournament** at the **Green Course** at Colonial Williamsburg and an evening reception sponsored by the VMD associate members. More than **300 registrants**, including directors and staffers from all **15 co-ops**, took part in the activities over the two days. After a **buffet breakfast** on Monday, July 29, sponsored by **Federated Rural Electric Insurance Exchange**, the event got down to business with the **VMD Members and Board of Directors meetings**. Immediately before those meetings, Virginia’s NRECA voting delegates convened and re-elected **Greg White, president and CEO of Northern Neck Electric Cooperative (NNEC)**, as the Virginia representative on the **NRECA board**.



Mecklenburg Electric Cooperative CEO John Lee (left) and Rappahannock Electric Cooperative CEO Kent Farmer (2nd from right) were honored by VMDAEC and ODEC for two “firsts”: they are the first Virginians to serve as board president of NCSC (John) and CFC (Kent) AND the first electric cooperative leaders from the same state to serve concurrently in the top board positions for the two affiliated cooperative lending institutions. Also shown are (2nd from left) Herbert Patrick, 2018-19 board chairman of the VMDAEC; Jim Meiers (center), a regional VP for CFC and NCSC; and (at right) ODEC President & CEO Marcus Harris.

George Electric Cooperative (PGEC), Shenandoah Valley Electric Cooperative (SVEC) and NNEC for their outstanding safety performance in the NRECA Rural Electric Safety Achievement Program (RESAP).

The board also received reports from the chairs of its standing committees, and brief video reports from national partner co-ops.

Also, **John C. Lee Jr., president and CEO of Mecklenburg Electric Cooperative (MEC), and Kent Farmer, president and CEO of Rappahannock Electric Cooperative (REC),** received joint resolutions from VMD and ODEC for their **leadership** of national co-op organizations — John as **board president** of the **National Cooperative Services Corporation (NCSC)** and Kent as **board president** of the **Cooperative Finance Corporation (CFC)**. Neither CFC nor NCSC previously has had a board president from the VMD region, and together John and Kent are the **first cooperative leaders** from the **same state** to occupy both slots at the **same time**.

The board also elected **Russell G. “Rusty” Brown** to join the board leadership team as **secretary-treasurer** for 2019-2020. **Fletcher “Bob” Jones**, a director at MEC, is the **new chairman** after a term as vice chairman, while **Pat Dorey**, a director at Delaware Electric Cooperative, will serve as **vice chair** for the next year.



Newly elected VMD Vice Chair Pat Dorey of Delaware Electric Cooperative (c) and former VMD Chair Jeannette Everett of Community Electric Cooperative (l) congratulate retired NNEC Board Member Elnora Tompkins, who was named as the recipient of the 2019 VMDAEC Distinguished Service Award.

Presiding over the VMD Members meeting, Herbert said he felt “bittersweet” after his year as chairman. “You don’t know until you actually do this job what the cooperative business is all about. It’s not a job, to be honest with you; it’s a pleasure.” He told board members that he **focused on safety issues** as chairman and was particularly pleased to see the Association open its **new training center in Palmyra** earlier this year.

Richard G. Johnstone Jr., president and CEO of the Association, echoed Herbert’s appreciation of the successful diamond anniversary, calling it one of the highlights of his career. Looking back on the way VMDAEC has evolved since Virginia co-ops first formed the Association in **1944**, he concluded, “We exist to serve our Members. It was true in 1944, it’s true today and, as long as we stay true to our mission, someone will be standing here telling you the same thing in 2044 as we celebrate our 100th anniversary!”

During the board meeting, **Jeff Edwards**, chairman of the safety committee, presented awards to **Prince**



Mecklenburg Electric Cooperative Board Member Bob Jones thanks a roomful of attendees at the annual meeting, after being elected as VMDAEC board chairman for 2019-20.

A pair of general sessions kept meeting participants motivated and up to date on some current trends that affect electric cooperatives. **Bettina Ring**, the **Virginia secretary of agriculture and forestry**, was on hand to present **Tree Line USA awards** to REC and MEC for utilizing best practices in utility arboriculture. The guest speaker was **Mike Schlappi**, a **powerful motivational speaker** who hushed the meeting room when he described how he was **shot and paralyzed** from the **waist down in an accident** when he was **14**. After months of rigorous physical therapy, he began playing basketball from his wheelchair and went on to become a standout **athlete**. His clarion call to the crowd was simple and powerful: **“If you can’t stand up, stand out!”**

A second session focused on how co-ops can work with outside groups to sustain and expand their successes. **Chris**

Stephen of NRECA described the coalition he put together on behalf of the co-op Retirement Security (RS) Plan that included diverse groups such as the Girl Scouts. **Tad Deriso of Mid-Atlantic Broadband** and **Karen Schaufeld of Powered by Facts**, an alternative energy group, also outlined ways to build and maintain coalitions.

The annual awards luncheon provided some moments just as moving as Mike Schlappi’s speech. **William C. “Bill” Frazier**, a member of the **REC** board since **1981**, received the Electric Cooperative **Leadership Award**, the Association’s **highest honor**, while former **NNEC** Board Member **Elnora Tompkins** received the **Distinguished Service Award**. Neither had any inkling that they were about to be honored in front of a luncheon crowd of **more than 250** until videos describing their careers and contributions started to play.

In presenting the award, **Richard Johnstone** said **Bill Frazier** is known for “always bringing his insightful questions, business acumen and common sense to bear on every issue, and always serving as a champion for 'the member at the end of the line.' ”

Accompanied by his daughter Gail, Bill said he was surprised when the award was announced. He noted he has served on many boards, “but none of them have ever been as exciting or as interesting as being on the electric co-op board... I’ve just been very proud to be a part of it.”



VMD Leadership Award recipient William C. "Bill" Frazier (c) enjoys the moment with daughter Gail and fellow REC Board Member Eugene L. Campbell, Jr. The awards luncheon on July 29 was attended by more than 250 electric co-op leaders and guests.

sponsored by **CoBank**, **ODEC**, and **Lee Electrical Construction**, beverage service hosted by **CFC**, and an outstanding performance by the **Glenn Miller Orchestra**, playing Miller’s big band and swing hits as couples filled the dance floor in the Virginia ballroom. **Asplundh** and **Utility Lines Construction** sponsored the well-received performance, which kept dancers young and old engaged for more than two hours — enough to collect about **\$15,200** in a **50-50 raffle and silent auction** to benefit the **VMD Scholarship Foundation**.



Retired NNEC Board Member Elnora Tompkins holds roses presented to her by VMD Association Board Chairman Bob Jones (l), as NNEC CEO Greg White holds her framed Distinguished Service Award and Association CEO Richard Johnstone reads the award language honoring her lifetime of service.

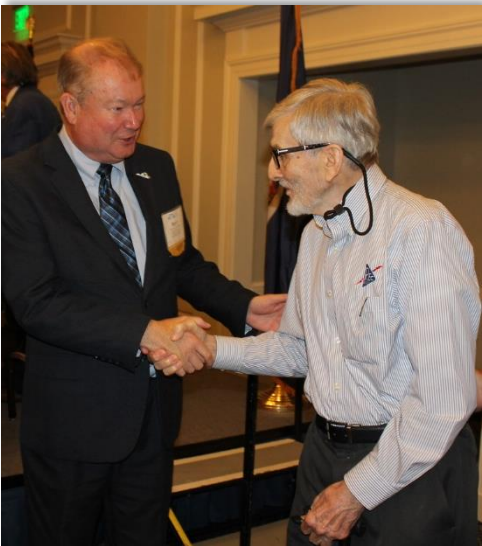


Bettina Ring, Virginia secretary of agriculture and forestry, poses with motivational speaker Mike Schlappi during the first general session of the VMD Association's 75th annual meeting.

Mrs. Tompkins, who was the first member of her family to complete high school, said **she was surprised and grateful** to receive the recognition from the cooperative community.

"I'm too excited to say anything," she laughed. "Even before I came on board, I enjoyed knowing about the electric cooperative. I have enjoyed every moment that I have served with them."

The gala celebration concluded on Monday evening, July 29, with a dinner



Newly elected VMD Board Secretary-Treasurer Rusty Brown (l) of Northern Neck Electric Cooperative congratulates REC Board Member Bill Frazier on being named as the recipient of the VMD Leadership Award for 2019.

The three-day meeting concluded on Tuesday, July 30 as **ODEC** held its annual **Members and Board meetings**. **Kent Farmer** of **REC** was elected as the **new chairman**, with **John C. Lee Jr.** of **MEC** as **vice chairman** and **Jeff Edwards** of **SEC** as **secretary-treasurer**.

ODEC CEO **Marcus Harris** thanked **Delaware Electric Cooperative** President & CEO **Bill Andrew** for his outstanding leadership as ODEC board chairman over the last three years. Marcus noted that the three incoming officers "will ensure that ODEC remains a standard bearer of the cooperative business model."

"I appreciate the confidence of my fellow board members," **Kent said** of his election as chairman. "Innovation and opportunity are at an all-time high in the electricity industry, and I look forward to working with ODEC to maximize the benefits they may bring to cooperative members."

John Lee noted, "I was an employee at ODEC for 16 years and it's the place where I got the opportunity to join the cooperative family, so I've come full circle and I am really honored to have been elected by my peers to serve as a board officer. It's a strong and well-run organization."

The new leaders' terms will expire in 2022.

Marcus reported that ODEC is having a **strong year** in 2019, even though the industry is "changing at a pace we've not seen before." He said the G&T will continue to carefully manage the **safety** of its employees, members and the public; **watch the budget and member costs**; and **maintain flexibility** with its generation and transmission fleet.



From left, the new ODEC board leadership team: Secretary-Treasurer Jeff Edwards, president & CEO of Southside Electric Cooperative; Chairman Kent Farmer, president & CEO of Rappahannock Electric Cooperative; and Vice-Chairman John C. Lee, Jr., president & CEO of Mecklenburg Electric Cooperative.

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



Capturing a Special Moment

More than 300 directors, members, staffers and guests gather in the atrium of the Williamsburg Lodge prior to entertainment by the world-famous Glenn Miller Orchestra. After receiving the cue from VMD staffers Steve Johnson and Laura Emery, the group happily cried in unison, "Happy 75th Anniversary, Association!" (Photo by Steve Johnson and Laura Emery.)

(To view many more photos from the VMD Association's 75th Annual Meeting, go online to www.vmdaec.smugmug.com and click on "2019 VMD Annual Meeting" and "2019 VMDAEC Black Tie Affair.")