

# NORTH CENTRAL ELECTRIC COOPERATIVE 2022 ANNUAL REPORT

**NCE**  Since 1936  
**NORTH CENTRAL**  
Electric Cooperative  
Your Touchstone Energy® Cooperative 



# THE CO-OP DIFFERE

While 2022 finally started to feel a little more “normal” following two years of learning how to adapt during COVID-19, cooperatives everywhere, North Central Electric included, were still feeling the effects of a pandemic-driven world. We’re pleased to report that NCE met these challenges head-on and remained dedicated to providing the same level of expected service to our membership as we always have.

Service reliability remained a top priority for NCE, but 2022 saw the co-op facing unprecedented challenges in both cost and availability of critical supplies, like transformers, and in the transmission and distribution of electricity. The co-op worked hard to combat these costs and delays, purchasing extra materials to keep on hand and closely monitoring shifts in power generation and delivery costs.

Our efforts seem to have paid off, as NCE once again received high marks regarding member satisfaction. Receiving a score of 89, an increase from 2021, on the American Customer Satisfaction Index survey provided to members in June, the co-op remained in line with other Ohio electric cooperatives and much higher than investor-owned and municipal utility scores.

Additionally, by taking extra care to monitor economic changes, NCE was able to give back more than \$1 million to current and past members in capital credits for another year. Receiving these credits yearly is one of the most unique and rewarding parts of being a co-op member.

The co-op also started a renovation project at the offices in Attica in 2022, revamping the workspace and warehouses to better accommodate the needs of a growing workforce. The renovations also addressed several structural and safety issues that were present.

Along with additional workspace within the building, a community center was built that groups within the service territory can utilize for meetings, events, and ceremonies throughout the year.

NCE members also voted in a new District 7 representative to the board after longtime president Duane Frankart retired in June. Andrew Brose joined the board following the 2022 NCE Annual Meeting after winning the election, and has

spent the last year embracing his new role as one of nine members representing you.

The cooperative also continues to work on ways to potentially grow through economic development, partnering with local governments and other companies to figure out ways to bring more businesses into the service territory. Doing this not only provides our communities with increased job opportunities and revenue, but also helps the cooperative spread out the cost of providing electric service, helping to keep rates and other charges as low as possible.

This work also includes the announcement of a broadband partnership with Bascom Communications to bring high-speed internet to NCE members in Seneca County, a need that grew exponentially during the COVID-19 pandemic.

We understand that without the support of you — our members — the cooperative would not exist. We look forward to making 2023 another successful year of service and growth, and thank you for your membership and continued trust in North Central Electric.



# NCE

## NORTH CENTRAL ELECTRIC BOARD OF TRUSTEES & GENERAL MANAGER



*Rodney Snavelly, president  
District 4*



*Michael Scherger, vice president  
District 6*



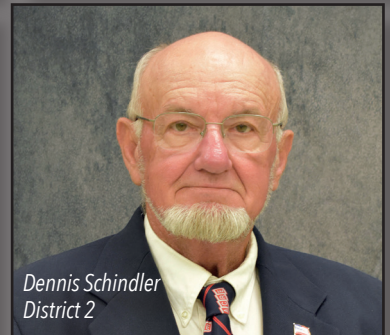
*Kevin Bishop, secretary  
District 1*



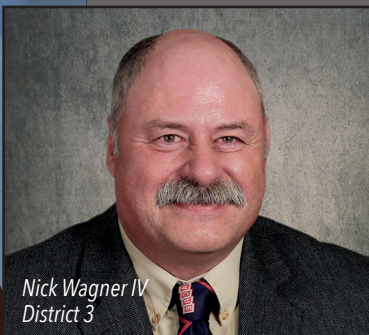
*Steven Seitz, treasurer  
District 2*



*David Green  
District 1*



*Dennis Schindler  
District 2*



*Nick Wagner IV  
District 3*



*Ronald Frisch  
District 5*



*Andrew Brose  
District 7*



*Ed VanHoose  
NCE general manager*



# AT THE COOPERATIVE...

As a cooperative, North Central Electric places safety, reliability, and affordability of electric service above all else. System maintenance, right-of-way clearing, employee training, and consistent safety inspections help our employees and board maintain the high quality of service our members have come to expect over the years.

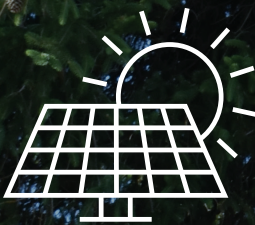
Between keeping outages low, welcoming new members, and maintaining nearly 1,800 miles of electric line in eight Ohio counties, we keep ourselves busy. This wouldn't be possible without the cooperative employees who show up every day to put you, our members, first. They understand the importance of keeping the power on, and how much our membership values safe, reliable, and affordable service all the time.



**8,126** MEMBERS

**59,866 kWh**

TOTAL OUTPUT PRODUCED  
BY THE OURSOLAR  
PROGRAM PANELS IN 2022



**1,796**

miles of electric  
line powering  
the NCE service  
territory



**208** OUTAGES

The average outage time  
for our members was  
around one hour in 2022

SERVICE ACROSS  
**8 COUNTIES**

- Seneca
- Wyandot
- Crawford
- Huron
- Richland
- Sandusky
- Hancock
- Wood



**9,708**  
METERS ON  
CO-OP LINES



**\$53,934.96** THROUGH  
**20**  
GRANTS

Given to local community organizations in 2022 thanks to the NCE People Fund

For NCE, our community service is just as important as our electric service, and we're pleased with the good we were able to accomplish in 2022. Over \$84,000 was put back into our communities through the NCE People Fund, matching grants in partnership with CoBank, and college scholarships to local students.

Efforts also remained steady in economic development, advocacy, energy efficiency and innovation, and member satisfaction to help our service continue to grow for the benefit of all our local communities.

At the end of the day, the cooperative wouldn't exist without you all. The people of our communities helped build us 87 years ago, and it is our desire to keep the places we call home moving forward for years and years to come.

**\$19,240**  
Community Organizations

**\$23,034.96**  
Public Safety Services

**\$11,660**  
Local Schools

**\$1,037,814**  
AWARDED SINCE 1999



**\$10,500**

Given in scholarships to 10 NCE high school seniors



2022 MEMBER SATISFACTION SCORE

**89**  
out of 100

**\$20,000**

GIVEN IN PARTNERSHIP WITH COBANK to promote the continued health and growth of our local communities

**1,543**

MEMBERS AND FAMILIES WHO ATTENDED MEMBER APPRECIATION DAY IN 2022

**...AND IN THE COMMUNITY**

# FINANCIAL REPORTS

## BALANCE SHEET

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
UTILITY PLANT IN SERVICE, NET	\$ 59,412,013	\$ 55,444,229
INVESTMENTS	13,610,400	13,575,832
DEFERRED CHARGES, less current portion	175,034	172,024
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	363,619	292,281
Restricted cash	53,195	1,000,927
Accounts receivable, consumer, less reserve of \$29,868 for 2022 and \$15,741 for 2021	2,882,351	2,515,400
Materials and supplies and inventories	1,013,203	609,987
Current portion of deferred charges	44,993	176,870
Prepaid expenses	140,972	136,869
TOTAL CURRENT ASSETS	<u>4,498,333</u>	<u>4,732,334</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 77,695,780</b></u>	<u><b>\$ 73,924,419</b></u>

## STATEMENT OF REVENUE AND EXPENSES

	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>	<u>\$ 29,257,702</u>	<u>\$ 28,015,865</u>
<b>OPERATING EXPENSES</b>		
Purchased power	17,129,073	16,446,256
Operations	2,146,920	2,008,492
Maintenance	1,173,145	1,053,519
Consumer accounting expense	544,417	474,693
Administrative expense	2,209,147	1,806,036
Depreciation	2,781,345	2,514,467
Taxes	894,566	898,521
TOTAL OPERATING EXPENSES	<u>26,878,613</u>	<u>25,201,984</u>
<b>OPERATING MARGINS BEFORE OTHER ITEMS</b>	<u>2,379,089</u>	<u>2,813,881</u>
<b>OTHER OPERATING ITEMS, NET</b>		
Patronage revenue	951,259	756,512
Interest expense	(1,285,152)	(1,306,775)
TOTAL OTHER OPERATING ITEMS, NET	<u>(333,893)</u>	<u>(550,263)</u>
<b>OPERATING MARGINS</b>	<u>2,045,196</u>	<u>2,263,618</u>
<b>NON-OPERATING ITEMS, NET</b>		
Interest and dividend revenue	36,264	34,702
All other, net	(15,164)	11,706
TOTAL NON-OPERATING ITEMS, NET	<u>21,100</u>	<u>46,408</u>
<b>NET MARGINS</b>	<u><b>\$ 2,066,296</b></u>	<u><b>\$ 2,310,026</b></u>

\*Due to a two-month lead time requirement for information printed in the magazine, these numbers are printed as preliminary until they will be reviewed by the board at their regularly scheduled meeting with the auditing firm.

NCE is proud to be a not-for-profit organization. As a member and part-owner of the cooperative, you're entitled to receive money back through capital credits every year.

The NCE board of trustees approved to return

# \$1,105,458

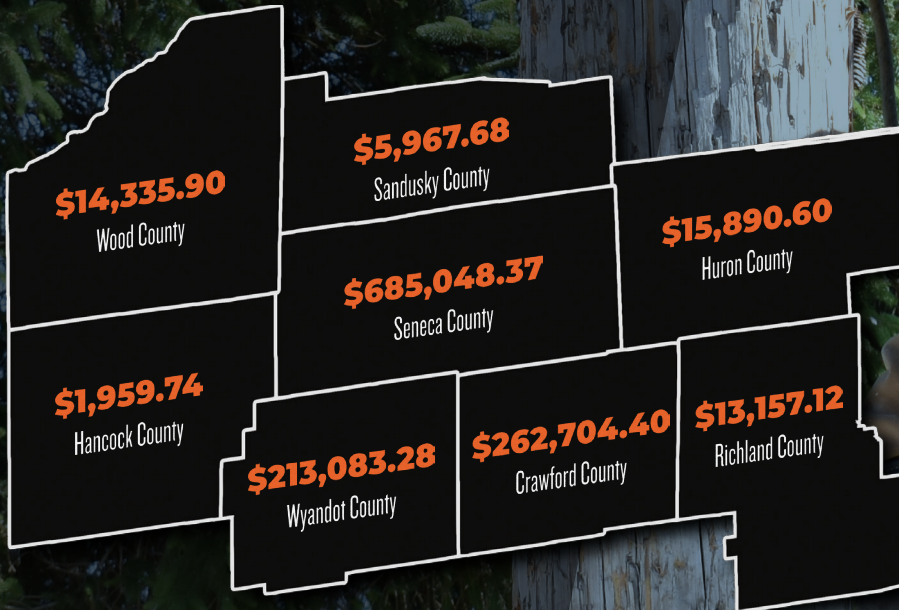
in 2022 to our members, applied to December bills or provided to former members via check.

The cooperative retains annual margins to provide working capital for new construction, equipment, and system improvements throughout our service area. If NCE's revenues exceed expenses for the year, the excess allocates back to the members in the form of capital credits.

The amount credited to members is determined by how much electricity a member purchases during the year, and the rate at which the member is billed.

# \$24,596,057

IN CAPITAL CREDITS HAS BEEN ISSUED TO MEMBERS SINCE 1980



# \$1,212,147.09

TOTAL PROPERTY TAX PAID IN 2022

# NORTH CENTRAL ELECTRIC COOPERATIVE 2023 VIRTUAL ANNUAL MEETING OF MEMBERS

## OFFICIAL NOTICE

In accordance with the regulations of North Central Electric Cooperative, the board of trustees hereby gives notice that the cooperative will hold its 87th Annual Meeting of Members on June 13, 2023, at 6 p.m. via Zoom.

Members are encouraged to participate in this year's annual meeting through one of two options: 1) viewing the annual meeting livestream through their computer, tablet, or smartphone using the link provided after registration; or 2) calling a specially designated phone number to listen in via the audio-only option.

Registration for the annual meeting is available now on the cooperative's website, and all registered members who attend the meeting will receive a \$25 bill credit. Only one credit will be given per member account. It's important to remember that if your registration does not match your login information, there could be a delay in receiving your bill credit after the annual meeting. Further instructions on how to register for and attend the annual meeting, as well as a meeting agenda, are available on page 20H of this annual report.

Along with receiving updates on the current happenings at the cooperative, NCE will also announce the results of the voting conducted

regarding the Code of Regulations changes proposed to the membership. All five issues were voted on by the membership in May via paper or online ballot, in an election conducted by Co-op Ballot.

The annual meeting, and our members' participation in it, is part of what makes the cooperative different. We hope to see another large turnout at this year's meeting and encourage questions for the general manager and board president either prior to or during the meeting.

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**All registered members who attend the annual meeting on June 13 will receive a \$25 bill credit.**

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If you have any questions about the annual meeting or its process, please contact the NCE office at 419-426-3072 for additional information and assistance.



## MEETING DETAILS

**Date: June 13 Time: 6 p.m.**

**Location: Online or by phone**

Join us online for this year's annual meeting and be a part of the cooperative difference! Receive an update on what's going on at your cooperative from Board President Rodney Snavelly and General Manager Ed VanHoose.



# CODE OF REGULATIONS CHANGES

## THE ISSUES YOU VOTED ON

In May, North Central Electric Cooperative members were asked to vote on five issues that would affect the language of the NCE Code of Regulations. The results of this election will be announced during the annual meeting on June 13.

These issues encompassed five main areas, seen on the right, and were proposed to bring the document up to date and uphold governance best practices based on recommendations from our national organization, the National Rural Electric Cooperative Association (NRECA), and our statewide association, Ohio's Electric Cooperatives (OEC). Similar Code of Regulations changes have been made by cooperatives throughout the nation.

The Code of Regulations, also known as the cooperative's bylaws, is considered a living document and should be reviewed and updated regularly to ensure it serves the needs of cooperative members and meets all applicable laws.

It also contains the rules under which the cooperative operates, and addresses key issues such as memberships, annual and special meetings, board nominations and elections, corporate officers, patronage, mergers, indemnification rights, and more.

**A COMPLETE ISSUE LIST, RED LINE DOCUMENTS, AND ELECTION INFORMATION ARE AVAILABLE ON THE NCE WEBSITE AT [NCELEC.ORG/2023-CODE-CHANGES](https://ncelec.org/2023-code-changes)**

### ISSUE 1

Updates to terms and language, membership certificate requirement, and membership fee

### ISSUE 2

Joint Membership Definition

### ISSUE 3

Member Rights

### ISSUE 4

Board Governance

### ISSUE 5

Capital Credits



# 2023 VIRTUAL ANNUAL MEETING

## HOW TO REGISTER & ATTEND

Haven't registered for this year's annual meeting yet? There's still time! Visit the co-op's website at [www.ncelec.org/annual-meeting](http://www.ncelec.org/annual-meeting) to register online or call us at 419-426-3072 if you require some additional assistance.

Registration for the meeting will close 15 minutes before the scheduled start time of 6 p.m. on June 13. Please be aware that if your registration doesn't match the information you log in with, there could be a delay in receiving your \$25 bill credit.

### JOIN VIA COMPUTER



After registering, you will receive an email confirming your registration with a link to view the annual meeting. You will use this link to join the video broadcast of the annual meeting. We'd suggest joining around 15 minutes prior to the 6 p.m. start time.

### JOIN VIA TELEPHONE

If you do not have access to a computer to register, please call the office at 419-426-3072 and someone will assist you with the registration process and provide you with a phone number and passcode to listen in to the annual meeting. You do not need to call in any sooner than 5 minutes prior to the 6 p.m. start time.



### ANNUAL MEETING AGENDA

- *Presentation of colors and call to order – President Rodney Snavelly, District 4*
- *Invocation – Director of Communications Justis Clifford*
- *Proof of mailing – Kevin Bishop, District 1*
- *Approval of minutes and board introductions – Rodney Snavelly*
- *Election and voting results – Attorney Brent Howard*
- *President's report – Rodney Snavelly*
- *Buckeye Power update*
- *General manager's report – General Manager Ed VanHoose*
- *Questions and answers – Rodney Snavelly & Ed VanHoose*
- *Unfinished business – Rodney Snavelly*
- *New business – Rodney Snavelly*
- *Adjournment – Rodney Snavelly*

# 2022 ANNUAL MEETING MINUTES

## JUNE 14, 2022

The regular annual meeting of the members of North Central Electric Cooperative, Inc., was held virtually using the livestream platform on the cooperative website at 6:00 p.m. on the 14th day of June, 2022, in accordance with the provisions of Section 1 of Articles III of the Code of Regulations of the cooperative.

The invocation was given by Director of Communications Justis Clifford.

The meeting was called to order by Rodney Snavelly, president of the cooperative, who presided. Val Darling, assistant secretary, kept the minutes thereof.

President Snavelly reported that members registered for the meeting with 577 members being present virtually and that a list of those members present shall be annexed to these minutes. He then advised the members that in accordance with the provisions of Section 4 of Articles III of the Code of Regulations of North Central Electric Cooperative, Inc., those members present constitute a quorum of the members of the cooperative and that the meeting was ready to proceed with business. The president directed the secretary to annex the Certificate of Members to the minutes of this meeting.

A true copy of the notice of the meeting, together with the proof of the due mailing thereof to all members of the cooperative, was directed by the President to be annexed to the minutes of the meeting.

The minutes of the 2021 annual meeting of the members of North Central Electric Cooperative, Inc., were approved without being read, upon motion made by Lisa Zellner, seconded by Matt Snyder, and carried.

President Snavelly introduced the current board of trustees.

The meeting then was turned over to the cooperative's legal counsel, Attorney Brent T. Howard of Supance & Howard, to report on the election of trustees. Attorney Howard explained that the two races for trustees were uncontested with each candidate, from districts 4 and 6, being the only person who submitted nominating petitions bearing at least 25 signatures of members from their districts. He reported that, in accordance with the code of regulations, the two candidates, Rodney Snavelly of District 4 and Michael Scherger of District 6, were deemed elected. An election was held for District 7, with Andrew Brose being elected for that position.

President Snavelly introduced NCE People Fund Board members and encouraged all members to join ACRE. He reported on the new member advisory committee that will be launched this year, code of regulation changes to be presented to the members during the 2023 annual meeting, and the groundbreaking for the headquarters building project.

President Snavelly introduced General Manager Ed VanHoose. General Manager VanHoose recognized the scholarship winners and reviewed the youth programs available. He reported on the OurSolar scams that are out there among our membership and that the cooperative is making every effort to help the membership to make well-informed decisions prior to installation. He also reported on the broadband status.

Subsequently, there was a question-and-answer session between the membership and the president and general manager.

There being no further business to come before the meeting, President Snavelly declared the meeting adjourned at 6:43 p.m.



# BOARD MEETING HIGHLIGHTS

## APRIL 2023

To provide additional transparency to the membership, highlights of the board meetings each month will now be published in the monthly *Ohio Cooperative Living* magazine. Due to the expansive number of topics and discussions, these are only the highlights. In accordance with the Code of Regulations, full meeting minutes are available to all members in-person at the co-op during regular business hours.

### Call to order

- Meeting was called to order at 6:00 p.m.

### Attendance

- All trustees were present, as well as legal counsel, general manager, and senior staff (or representative).

### Approval of the consent agenda

- Consent agenda consisting of prior meeting minutes, new members, collection report, delinquent graph, deceased estates, outage reports.

### Action items

- Safety reports, work order inventories, capital credit allocation, personnel policy 200.10, budget amendment, Transworld Collection Agency services, and title change of Chief Risk Officer to Chief Administrative Officer approved as presented.
- A motion was made, seconded, and approved for the Budget Amendment for purchase of self-rescue devices for the linemen.
- A motion was made, seconded, and approved to adopt the Strategic Priorities as presented.

- A motion was made, seconded, and approved to appoint Trustee Wagner as the voting delegate for the CRC, CFC, and NCSC meetings.

### Departmental reports

- Monthly Financial, Operations, Key Accounts/Economic Development, Communications, IT, Weekly report, and Billing department reports reviewed.
- HR Brown reviewed Organization Policy 109, 112, Administrative Policies 200, 201, 203, and Personal Policy 305 with no recommended changes.
- Communications gave a narrative on driving the new co-op EV in rural America.

### Legal

- NRECA Legal Reporting Service Bulletins and Robert's Rules of Order reviewed.

### Association/committee reports

- Reviewed OEC/Buckeye Power President's report.
- Reviewed CFC Solutions report and NRECA Member Resolutions.

### Board training

- Reviewed 2023 NRECA Power Xchange, 961.1 Evolution of Electric Co-op Power Supply, and OEC Board Leadership Summit.

### Adjournment

- The meeting adjourned at 9:57 p.m.

