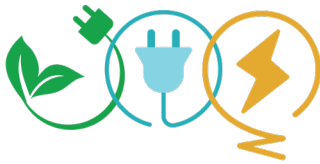




*Pictured:  
Sussex REC lineman  
hoist an American  
flag at the entrance  
to Woodbourne  
Park in Sussex*



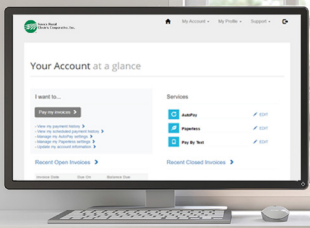
SREC's Member Newsletter

Volume 2, Issue 2

www.sussexrec.com  
973-875-5101  
info@sussexrec.com

# Currents

**Paperless Billing:**  
Fast. Easy. Green.



Sign up for paperless  
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Convenient,  
easy, and green  
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like paperless,  
auto pay, and  
scheduled payments  
are available at  
[www.srecbillpay.com](http://www.srecbillpay.com)



## Be a Co-op Voter

There are many ways that Sussex REC is different than investor-owned utilities. An important one is our member-owners' role in how we are run. Every account holder has the right to one vote in our yearly mail-in elections.

This privilege is not something that customers of an investor-owned electric company would get, so I urge all our members to exercise this right most people don't have. 2024's board election is right around the corner!

This is the Annual Report issue of *Currents*, which includes a report from myself and the Chairman of the Board and 2023's financial report.

Also in this issue is the announcement of our 2024 Annual Meeting. We'll once again be holding an Online Meeting that covers business matters and an in-person Member Appreciation Event at the NJ State Fair. Be sure to make note of the dates for each so you can get your free Fair tickets and \$10 bill credit, and maybe even some prizes!

By Chris Reese, President & CEO  
[contactthceo@sussexrec.com](mailto:contactthceo@sussexrec.com)



This issue also includes details on the candidates for this year's election. Our local focus makes us special, and that's reflected in our board of directors. Every member of our board is a current member of Sussex REC, and the same goes for any new candidates. They are recognizable faces from our community and may even be your friends or neighbors!

Our directors are elected to represent your interests in the operations of the utility. By electing them as your representative, you help guide the priorities and values of the Co-op.

Three members of our board go up for re-election each year (one seat per district). New candidates can run for open seats on the board as well. In fact, this year's election has a contested race for our District 1 seat. You can find details on each candidate on page 7 of this newsletter so you can make an informed decision when your ballot arrives. Ballots will be sent out in late May.

>> Continued on pg. 2


<< Continued from pg. 1

In addition to voting for board members as your representatives, this year's election also offers the opportunity for you to vote directly on a proposed change to our bylaws.

Our bylaws dictate how we handle fundamental aspects of our organization such as our requirements for membership, the structure of our board, and our obligations for our Annual Meeting. To amend our bylaws, changes must be put to our whole membership for a democratic vote. If a quorum of members approves the change, our bylaws will be

amended to reflect the new rule.

The proposed bylaw change that's on the ballot this year is one that would affect our election structure as a whole. A summary of this proposed change is available below.

With all of this in mind, be sure to cast your vote when your ballot arrives! As a Sussex REC member, we value your opinion and exist to provide you with the highest quality of service at the lowest possible cost. Don't waste your opportunity to make your voice heard. Be a Co-op Voter! 

## **PROPOSED BYLAW CHANGE - On your 2024 ballot**

*Sussex REC regularly reviews its bylaws and proposes updates when needed. As the world we live in changes, so must the Co-op. In the early days of the Cooperative, a nominating committee was a crucial part of the system to come up with potential candidates to serve on the board of directors, but modern communication avenues allow for the dissolution of the committee.*

**Current Bylaw: Article IV. Directors – Section 4. Nominations:** It shall be the duty of the Board of Directors to appoint annually, not later than the monthly meeting of the Board of Directors in January of each year, a committee on nominations consisting of not less than five, nor more than eleven, members of the Cooperative who shall be selected from diverse segments of the Cooperative's service area so as to afford equitable geographic representation. No member of the Board of Directors may serve on such committee. The committee, keeping in mind the principle of geographical representation, shall prepare and post at the principal office of the Cooperative at least twenty days before the meeting a list of nominations for directors which may include a greater number of candidates than are to be elected. Any fifteen (15) or more members acting together may make other nominations by a nominating petition delivered not less than sixty (60) days prior to the annual meeting of the Cooperative to the Secretary of the Cooperative in the following described format:

- (a) listing, on each page of the Petition, the name of the Petition Nominee, the District and Director position for which nominated;
- (b) signed by at least fifteen (15) Members of the Cooperative, all of whose signatures must be affixed and dated within the sixty (60) day period immediately prior to the submission of the petition; and
- (c) containing, opposite each signature, the name, address and telephone number of each signer.

The Secretary shall be responsible for the posting of such Petition nominations at the same place where the list of nominations made by the committee is posted. The Secretary shall be responsible for the mailing with the notice of the meeting or separately, but at least seven 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 the Committee on Nominations and also the nominations made by petition, if any.

*The bylaw change would allow for candidates to be nominated by written petition, rather than by a nominating committee. It would also increase signatures the potential candidates must collect from 15 to 25 active Cooperative members (one signature per account). A completed petition containing the information of each signer must be delivered to the Cooperative at least 60 days before our Annual Meeting, addressed to the Secretary of the Board.*

**Proposed Bylaw: Article IV. Directors – Section 4. Nominations:** Candidates to be elected as directors of the Cooperative shall be nominated by written petition on a form provided by the Cooperative, bearing the signatures of not less than any twenty-five (25) members with an active account (limited to one signature per account). Petition is to be delivered and received at the Cooperative by 4:30pm not less than sixty (60) days prior to the annual meeting of the Cooperative. Petition is to be addressed to the Secretary of the Cooperative in the following described format:

- (a) listing, on each page of the petition, the name of the petition nominee and the district number for which nominated;
- (b) all signatures must be affixed and dated;
- (c) containing, opposite each signature, the name, address, account number and telephone number of each signer.

Petitions not received in a timely manner or with incomplete, untrue, or inaccurate documentation will be disqualified. The Secretary shall prepare and post at the principal office of the Cooperative at least twenty days before the meeting a list of nominations for directors which may include a greater number of candidates than are to be elected. The Secretary shall be responsible for the mailing with the notice of the meeting or separately, but at least seven 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. Should there be only one candidate to run for the Board position to be filled by the election, being either the incumbent director or the candidate nominated from the membership by written petition as set forth in this Section of the Bylaws, the Secretary of the Board shall certify that the candidate is therefore officially without opposition. The Board of Directors then has the option to declare the candidate officially elected to the Board without necessity of voting by the members and announce or cause to be announced at the annual meeting of the members the names of the candidates elected to the Board of Directors. This option can be taken in order to save the Cooperative the cost of running a certified mail-in ballot election.



## President & Chairman's Report



Chris Reese  
President  
& CEO



Jack Haggerty  
Chairman  
of the Board

Since 1937, Sussex Rural Electric Cooperative's mission still rings true - to provide our members with the highest possible quality of service at the lowest possible cost. We still face recurring challenges of rising power supply costs and economic inflation, all the while keeping abreast of market and industry changes and, most recently, ever-changing government regulations that put power reliability in jeopardy.

In 2022, Sussex REC had to raise its rates in response to a large spike in our costs of power generation plus a rise in costs of material, equipment, and fleet expenses. Prices continued to rise and supply chain issues still plagued the industry, resulting in 2023's increase in the System Connection Fee, the fixed monthly charge that covers the costs associated for your home to be connected to our grid, our "system." This charge includes the equipment, materials, labor, and operating costs necessary to serve each of Sussex REC's 12,000 meters in our service territory, regardless of the amount of energy you use. Since the System Connection Fee is the same for each residential member, it allows these costs to be shared equally across the membership.

These last few years have probably been best summed up by the National Rural Electric Cooperative Association's CEO Jim Matheson during his address before the U.S. Energy Association's State of the Energy Industry Forum, where he said "We talk about all of the change in the energy industry, but I'll tell you something that hasn't changed for us—job one is keeping the lights on. I fear that people in the policy world are not recognizing the importance of reliability."

One way that SREC ensures reliability for your power is through our diverse power mix. Overall, SREC provides its members with a nearly 80% carbon-free, reliable power mix. This is achieved through nuclear power from the Susquehanna Steam Electric Station (which provides the

*"We are proud to say that the time it takes our crews to restore service has declined five years in a row. In 2023, the average Sussex REC member had power 99.96% of the time."*

majority of our electricity) and hydropower from the Raystown Hydroelectric Plant and Niagara Power Project, plus additional fossil fuels, renewables, nuclear, and hydropower from the open market.

In 2023, we continued to see an increased number of outages due to extreme weather events and their impact on trees. Our area's ash trees in particular have grown old and weak, becoming more susceptible to damage. Many are dead or rotting inside in part due to invasive pests like the emerald ash borer and the spotted lanternfly.

In response, we've increased our investment in our vegetation management program by 30% to help reduce outages caused by trees and branches. Trees and branches caused 45% of the outages affecting members in 2023. Of that number, ash trees caused 48% (22% of all 2023 outages).

Thanks to new technology and increased efficiency, we are proud to say that the time it takes our crews to restore service has declined five (5) years in a row. In 2023, the average Sussex REC member had power 99.96% of the time.\*

In 2023 we continued to devote greater focus on security, both physical and cybersecurity. National and economic security of the U.S. depends on critical infrastructure. Cybercriminals are targeting utilities of all sizes as a key component to that critical infrastructure and our diligence is the key to providing you with reliable power.

In 2023, we saw growth in members signing up to take advantage of our convenient online billing options. Paperless billing reduces waste and removes any worry that your payment won't arrive on time. Paperless billing cuts costs of printing and

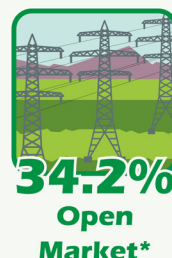
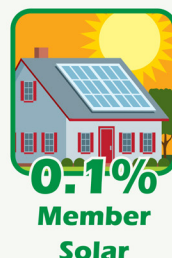
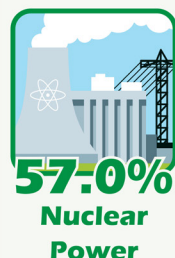
\* Based on average 2023 outage total of 3.7 hours per member in 8,760 hour year

>> Continued on pg. 6



<b>Balance Sheet (Audited) For the years ended</b>	<b>2023</b>	<b>2022</b>
<b>Assets:</b>		
Total utility plant in service	\$ 80,022,317	\$ 78,037,307
Construction work in progress	2,342,353	1,133,375
	<u>82,364,670</u>	<u>79,170,682</u>
Less: Accumulated provisions for depreciation	(43,942,869)	(42,001,472)
<b>Net electric plant</b>	<b>38,421,801</b>	<b>37,169,210</b>
Total other investments	9,122,666	8,810,027
<b>Total utility plant &amp; other investments</b>	<b>47,544,467</b>	<b>45,979,237</b>
<b>Current assets:</b>		
Cash & short-term investments	1,060,766	1,157,930
Accounts receivable, less provision for doubtful accounts of \$74,471 in 2023 & \$118,281 in 2022	2,162,808	2,202,579
Materials & supplies	1,272,484	987,913
Other current & accrued assets	1,624,651	1,177,724
<b>Total current assets</b>	<b>6,120,709</b>	<b>5,526,146</b>
<b>Deferred charges</b>	<b>4,229,263</b>	<b>4,396,158</b>
<b>Total Assets</b>	<b>\$ 57,894,439</b>	<b>\$ 55,901,541</b>
<b>Equities &amp; Liabilities</b>		
<b>Equities:</b>		
Memberships	\$ 55,785	\$ 55,240
Patronage capital	11,778,604	13,594,749
Other equities	12,940,132	10,969,401
<b>Total equities and margins</b>	<b>24,774,521</b>	<b>24,619,390</b>
<b>Non-current liabilities:</b>		
Long term debt, less current portion	23,301,015	21,130,418
Other	163,504	250,071
<b>Total non-current liabilities</b>	<b>23,464,519</b>	<b>21,380,489</b>
<b>Current liabilities:</b>		
Current portion of long-term debt	726,822	692,302
Other	123,366	145,611
Accounts payable	1,803,217	1,917,061
Consumer deposits	465,180	373,430
Other current & accrued liabilities	1,792,067	1,811,166
<b>Total current liabilities</b>	<b>4,910,652</b>	<b>4,939,570</b>
<b>Deferred credits</b>	<b>4,744,747</b>	<b>4,962,092</b>
<b>Total Equities &amp; Liabilities</b>	<b>\$ 57,894,439</b>	<b>\$ 55,901,541</b>

## Where Your Power Came From in 2023:



\*Open Market purchases are power purchased from a variety of sources to meet our energy needs.

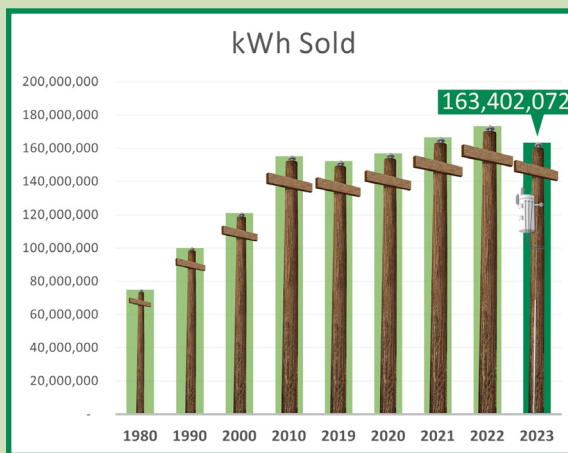
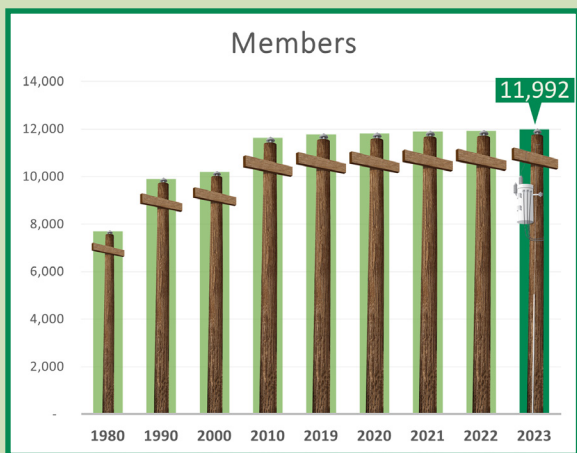
**2023's Breakdown:**  
 44.2% Natural Gas  
 33.6% Nuclear  
 14.9% Coal  
 3.5% Wind  
 1.5% Solar  
 0.8% Hydro  
 1.5% Other




**In total, we are 79.4% carbon free!**

# 2024 Annual Report

Income Statement (Audited) - For the years ended	2023	2022
<b>Operating revenue</b>	<b>\$ 24,535,695</b>	<b>\$ 21,964,827</b>
<b>Operating expenses:</b>		
Cost of power	11,863,743	10,118,572
Transmission expense	16,706	29,286
Distribution expense - operation	2,521,866	2,154,408
Distribution expense - maintenance	3,308,964	2,449,650
Member account & service expense	1,161,562	912,770
Administrative & general expense	2,620,953	2,521,037
Depreciation & amortization expense	2,066,432	1,984,709
Taxes	1,527	2,320
Interest - other	146,971	58,579
<b>Total operating expenses &amp; interest</b>	<b>23,708,724</b>	<b>20,231,331</b>
<b>Operating margins before fixed charges</b>	<b>826,971</b>	<b>1,733,496</b>
Interest on long-term debt	(874,794)	(711,472)
<b>Operating margins after fixed charges</b>	<b>(47,823)</b>	<b>1,022,024</b>
Capital credits from other cooperatives	751,043	1,266,005
<b>Net operating margins</b>	<b>703,220</b>	<b>2,288,029</b>
<b>Non-operating margins:</b>		
(Loss) / Gain on sale of assets - net	33,698	33,432
Interest and other income	162,211	48,932
<b>Net margin for period</b>	<b>\$ 899,129</b>	<b>\$ 2,370,393</b>
<b>Total other comprehensive (loss) / income</b>	<b>85,839</b>	<b>(357,040)</b>
<b>Total comprehensive income</b>	<b>\$ 984,968</b>	<b>\$ 2,013,353</b>



 <b>The Co-op Dollar 2023</b>	Where It Comes From	Where It Goes		
	Residential	78.7%	Purchased Power Cost	48.2%
	Small Commercial	5.6%	Operating Expenses	31.7%
	Large Commercial	5.5%	Depreciation	8.4%
	Seasonal	2.0%	Vegetation Management	7.5%
	Electric Thermal Storage	1.3%	Interest on Debt	4.2%
	Security Lights	0.4%	Margins	0.0%
Other Income	6.5%			





*"I'll tell you something that hasn't changed for us – job one is keeping the lights on."  
- Jim Matheson, CEO of NRECA*



**Sussex Rural Electric Cooperative, Inc.**

<b>President &amp; CEO</b>	- Christopher P. Reese
<b>Our Board of Directors</b>	
<b>Chairman</b>	- Jack Haggerty, Jr.
<b>Vice Chairman</b>	- William Kovach
<b>Sec./Treasurer</b>	- Ronald Dupont
Thomas Madsen	Barbara Miller
Brad Sparta	Joseph Barca
Michael Abate	Karen McDougal

mailing bills, thanks to over 3,400 members who enrolled in paperless billing. Over 3,100 members enrolled in automatic drafts, a way to "set it and forget it," with no credit card fees or stress about paying on time. Close to 83,000 payments were made online in 2023. We offer online bill payment at [www.srecbillpay.com](http://www.srecbillpay.com),

with several convenient options that members can take advantage of.

Our wholly owned subsidiary SREC Resources continues to provide electrical contracting services to the area. Among their other operations and large jobs in 2023, SREC Resources installed 15 Cummins whole-house generators, 16 GenerLink transfer switches, and 21 Electric Thermal Storage heating systems. You can find more information on SREC Resources at [www.NoMoreOutages.com](http://www.NoMoreOutages.com).

ETS heat is available exclusively to Sussex REC members and provides electric heating at an off-peak rate. As of the end of 2023, we have a total of 336 ETS systems throughout our service territory, adding 7,675.15 kW of demand capacity

to our system. We encourage interested members to visit [www.yes2ets.com](http://www.yes2ets.com) to see if ETS would be right for them.

Sussex Rural Electric Cooperative continues to benefit from its 50-year contract with the U.S. Army to provide utility services within Picatinny Arsenal. Throughout 2023 many improvements, upgrades, and replacements were completed. Our contract with Picatinny contributes to our ability to maintain strong line crew coverage during storms and large jobs.

Our Annual Meeting Event will be coming up soon, once again split into an Online Meeting covering the business portion of the event and an in-person Member Appreciation Event held at the NJ State Fair. When the Online Meeting becomes available on Monday, July 1st, you will be able to register for our in-person event to reserve up to two free Fair tickets. On August 5th at the Fair, SREC's employees and directors will be staffing our booth at the BBQ Pavilion where we will be providing \$10 bill credits and giveaway items to registered members. This year we will hold our prize drawing on Tuesday, after the event, and will contact the winners. We hope that you'll join us at the Fair! 🍷

Christopher P. Reese

Jack Haggerty Jr.

## OTHER 2023 UPDATES

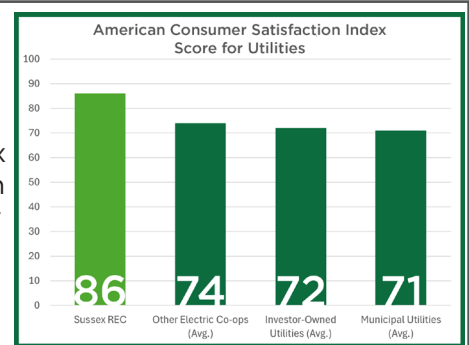


### CAPITAL CREDITS

In 2023, we returned **\$800,000** to our members. Over the last 10 years, we've returned over **\$7.3 million** through capital credit retirements.

### ACSI SCORE

Thanks to member feedback in our recent survey, Sussex REC was awarded an American Consumer Satisfaction Index score of **86**.



## CONCERN FOR COMMUNITY

An important part of Sussex REC's identity is serving the community that built us. Here's some of our 2023 efforts:



*We supported over 60 community organizations in 2023 through donations, sponsorships, or event participation. Financial donations/sponsorships are funded through unclaimed capital credits.*

- Local Students Supported Through our Scholarships & Awards - \$16,000
- Donations to Local Fire Departments - \$10,000
- Employee Directed Giving Program Supporting Local Nonprofits - \$7,500
- Used Book Collection to Benefit Karen Ann Quinlan Hospice - 1,462 books

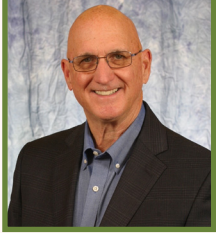
# Your Candidates for Election

*SREC's service area is split into three districts with three directors per district. Each director, who must be a member of the Cooperative, serves a three-year term with 1/3 of the directors standing for re-election each year. This year we also have a contested election, with two candidates up for District 1's seat. Elections of board members are held by mail-in ballots as required in our Bylaws. Ballots will be sent to members toward the end of May and results will be announced as part of our Online Meeting on Monday, July 1st.*

## District 1

### Incumbent

#### **Thomas Madsen**



192 Mudtown Rd,  
Wantage, NJ

Tom Madsen has been owner of the general contracting firm Tom Madsen, LLC for over 40 years and is a longtime member of the co-op community. Tom was first elected to Sussex REC's board of directors in 2000 and is very passionate about the continued success of rural electric cooperatives. Tom is a Certified Credentialed Co-op Director, holds Board Leadership Certificate designation and Director Gold certification, and represents New Jersey as a director on the National Rural Electric Cooperative Association Board of Trustees. Tom serves on Sussex REC's Annual Meeting, Finance and Compensation, and Building Committees.

Tom's other community activities include serving as past president and member of the Kiwanis Club, past chairman of the Sussex County Chamber of Commerce Board of Trustees, and member and current chairman of the Sussex County Economic Development Partnership. Tom is a commissioner and past chairman for the Sussex County Municipal Utilities Authority. Tom and his wife Barbara reside in Wantage and have two daughters and two grandsons.

## District 1

### Candidate

#### **Lena Frank**



50 Wolfpit Rd,  
Wantage, NJ

Lena Frank is currently an independent business consultant for small businesses where she provides strategic advice for creating, developing, and implementing optimal business strategies to deliver results meeting the business's goals and objectives. Over her career, Lena has developed and nurtured the capabilities and skills to oversee business in a fast-changing world. Her experience in industry includes roles in new product development, sales and marketing, alliance and project management, and business development, giving her a unique perspective when creating positive outcomes for business.

Lena has an MBA from New York University, and a BS in Animal Science. In the community, Lena serves as a Board of Trustee for the Sussex County Community College. She is an avid outdoors person and enjoys hiking, canoeing, gardening and photography where she can immerse herself into nature and think about both business and life. She and her husband Greg reside in Wantage where they currently operate White Possum Farm specializing in hay and garlic.

## District 2

### Incumbent

#### **Ronald Dupont, Jr.**



P.O. Box 683,  
Highland Lakes, NJ

Ron Dupont was born and raised in Vernon Township. An SREC member since 1998, Ron has represented District 2 on the Sussex Rural Electric Cooperative board of directors since 2008. Ron has pursued director education, receiving his Credentialed Cooperative Director Certificate in 2010, his Board Leadership Certificate in 2018, and his Director Gold Certificate in 2022. He has served as the Cooperative's Secretary/Treasurer since 2022, currently serves on the Executive, Building and Equipment and Scholarship Committees, and is the chair of the Finance and Compensation Committee. He has also served on the Policy and Annual Meeting committees.

Ron is a 1985 graduate of Columbia University and is part of the third generation to run his family's business in Highland Lakes, the Highland General Store. He lives in Highland Lakes with his wife Emilie with whom he has two adult sons, Sam and Ben. He has served as an officer or trustee in a number of local heritage organizations, including the Sussex County Historical Society. He is also a trail maintainer for the New York-New Jersey Trail Conference. For 40 years, he has been an author writing on regional history and the outdoors, including five books and numerous newspaper feature articles and columns.

## District 3

### Incumbent

#### **Barbara Berge-Miller**



112 Statesville  
Quarry Rd,  
Lafayette, NJ

Retired Principal of High Point Regional High School, Barbara is seeking re-election to the seat in District 3. She has earned the Credentialed Co-op Director certificate, the Board Leadership Certificate, and the Director Gold Certificate. On the SREC Board, Barbara serves as Chairperson of the Policy and Governance Committee and is also a member of the Finance and Compensation Committee and the Scholarship Committee. She is the Sussex Rural Electric delegate to the Pennsylvania Rural Electric Board of Directors, where she currently serves as Secretary of the Board, Chairperson of the Scholarship Committee, and a member of the Administrative Services and Membership Activities Committees.

Barbara's educational background includes a B.A. from the College of New Jersey, an M.A. from Montclair State University, and Ed.D. from Seton Hall University. In the community, Barbara is a member of the Newton Rotary Club and Sussex United Methodist Church, where she serves as pianist and sings in the church choir. In addition, she is the Chairperson of the Staff Parish Relations Committee and a member of the Church council. She and her husband Ned reside in Lafayette and have five grown children, eight grandchildren, and three great-grandchildren.

# IN THIS ISSUE OF Currents

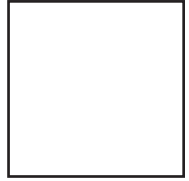


**Sussex Rural  
Electric Cooperative, Inc.**

64 County Route 639  
Sussex, NJ 07461 A Touchstone Energy® Cooperative 

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**www.sussexrec.com**



## IN THIS ISSUE: 2024'S ANNUAL REPORT

-  **Be a Co-op Voter**
-  **Annual Report: President & Chairman's Report**
-  **2024 Election: Proposed Bylaw Change**
-  **Annual Report: 2023 Financial Report**
-  **Annual Report: Co-op Summary**
-  **2024 Election: Your Candidates For Election**
-  **Sussex REC 2024 Annual Meeting Event Announcement**



Sussex Rural Electric Cooperative's Annual Meeting is right around the corner! Our **Online Meeting** will be available **Monday, July 1st** and our **Member Appreciation Event** will be held at the NJ State Fair on **Monday, August 5th!**

### Online Meeting - Monday, 7/1 at [www.sussexrec.com/annual-meeting](http://www.sussexrec.com/annual-meeting)

- ▶ Address from the Chairman of the Board
- ▶ 2023 Financial Report
- ▶ Board Election Results
- ▶ Q&A with President & CEO - Submit your questions now!
- ▶ Register for up to two free Fair tickets!



### Member Appreciation Event at the Fair - Monday, 8/5, 12 - 7:30 pm

- ▶ Held at the Sussex County Fairgrounds' BBQ Pavilion
- ▶ Receive giveaway items and coupons for local vendors at the Fair
- ▶ Earn a \$10 bill credit for attending
- ▶ Enter our prize drawing for a chance to win!



**Sussex Rural  
Electric Cooperative, Inc.**

### BALLOTS WILL GO OUT IN LATE MAY!

Be sure to cast your vote in our 2024 board of directors election and take part in Democratic Member Control of your Co-op, one of the principles that make co-ops like Sussex REC unique.

You can find more about this year's candidates on page 6!



@sussexrec



@SussexREC



info@sussexrec.com