

Sullivan County Rural Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey

SULLIVAN COUNTY REC

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STAFF

John Lykens, CEO
Todd Molyneux, Manager,
Electric Operations
Heidi Roupp, CFO
Diane E. White, Executive Assistant

BOARD OF DIRECTORS

Ann B. Henderson - CCD*/BLC/Gold Chair**

Stephan Paul Brady - CCD/BLC/Gold* Vice Chairman**

Kathy A. Robbins - CCD/BLC/Gold Secretary

**David L. Aumen - CCD/BLC/Gold
Karen Beinlich**

**Jeff Hamilton - CCD/BLC/Gold
Jim Lambert - CCD**

**Jay Lewis - CCD/BLC/Gold
David R. Rakestraw - CCD**

***Credentialed Cooperative Director**

****Board Leadership Certificate**

*****Director Gold Certificate**

OFFICE HOURS

Monday through Friday
7 a.m. - 3:30 p.m.

COOPERATIVE CONNECTION

Capital Credits and You



DURING THIS YEAR'S ANNUAL MEETING, a cooperative member asked a question about capital credits checks. The question was something to the effect of, "Will the cooperative be retiring capital credits this year?" The response to the member's question was yes, the cooperative will be retiring capital credits; however, the amount of capital credits being retired has not yet been determined by the Sullivan County Rural Electric Cooperative (SCREC) Board of Directors. At the July 2023 board meeting, the board made this decision and capital credits will be retired to eligible members

later this year.

Many of you may be asking, "What are capital credits, and how do they relate to me as a consumer-member of the cooperative?" That is a great question, and one I'm happy to answer. In short, capital credits are margins retained by the cooperative at the end of each successful fiscal year after all expenses have been paid. Because your electric cooperative is a not-for-profit organization, these margins are eventually returned to members in the form of a capital credit check. For our investor-owned counterparts, such as Penelec or PPL, these margins are better known as profits, which are paid to investors in the form of dividend checks. Let's take a deeper dive into this concept.

Unlike consumers of investor-owned electric utilities, every SCREC member has a financial stake in the cooperative. You, our member, are an investor in your cooperative. As a member of the cooperative, any margin realized at the end of the year is returned back to you based on the amount of revenue you contributed during the year. The allocation factor is simply the year-end margin divided by the total year-end revenue collected.

Capital credits are often paid out 20 to 30 years from when they are allocated. Your electric cooperative uses allocated margins, prior to retiring them back to you, for the following purposes:

1. To grow the cooperative's equity which, in turn, gives the cooperative more borrowing power.
2. To potentially reduce the amount of money the cooperative needs to borrow.
3. To have cash reserves in case of an emergency.

Your board of directors has a fiduciary duty to ensure the financial well-being of the cooperative. Each year, directors carefully consider the cooperative's financial position and determine whether it is prudent to retire previously allocated capital credits. The board also uses policies, put in place and approved by the board, to help guide their decision-making. Guiding principles include the cooperative's equity level, mortgage requirements, retirement cycle, and the cost of borrowing. When the board determines the total amount of allocated capital credits to be retired, the cooperative returns the capital credits to members in the form of a check.

There are a few nuances I should bring to your attention. Capital credits checks must be valued at \$10 or more to be sent to the member. In the event the amount is less than \$10, it is held until the member's allocation exceeds the \$10 threshold. Accounts that are no longer active with the cooperative and have a total accumulation of capital credits less than \$10 are escheated to the cooperative to be used for energy assistance (the cooperative's Helping Hands Fund) and educational or civic purposes. Estates of deceased members may voluntarily donate their net discounted capital credits to the cooperative's Helping Hands Fund or receive the discounted capital credits. And finally, members moving off the cooperative system can choose to receive their capital credits check at a discounted amount when service is finalized.

I would like to thank all members for being a part of the cooperative and fiscally supporting the cooperative's efforts to fulfill our mission. It is my sincere hope all members have a better understanding of capital credits and the role they play for both the cooperative and you. Semper Fidelis. 🇺🇸

JOHN LYKENS
CEO

SCREC Awards Five Scholarships to High School Graduates

SARAH PARRISH, COOPERATIVE COMMUNICATOR

YOUR CO-OP ESTABLISHED the Sullivan County Rural Electric Cooperative Scholarship in 2023 to assist students with tuition costs associated with their postsecondary education.

To apply for the scholarship, eligible students had to meet the following criteria:

- ▶ Be a graduating high school senior;
- ▶ By attending either a public or private school while living in our service territory, or be home-schooled/cyberschooled in our service territory;
- ▶ By obtaining a postsecondary education (e.g., university/college, trade school, electric lineworker school, etc.); and
- ▶ Not be related to any employee or director of SCREC.

During its inaugural year, five students were each awarded a \$1,000 scholarship. Each student had to complete an application, answer eight questions, submit academic proof (high school transcript, SAT/ACT results, and postsecondary education acceptance letter), and respond to the following essay question in at least 500 words: "After obtaining your post-secondary degree/certification/diploma/etc., what career path do you intend to pursue, and why do you want to pursue this career? How do you plan to give back to your community using your postsecondary experience and education? Explain in detail."

Each scholarship application was reviewed by a Scholarship Committee, composed of the following directors: Committee Chair, Karen Beinlich, District 2; David Aumen, District 8; and Dr. Steve Brady, District

9. Scores were tallied based on academic performance, scholarship application questions, and the written essay, plus discussion among the judges.

The following students were awarded scholarships:

- ▶ **Morgan Gower**, Montoursville Area High School, who will be attending Lycoming College for a bachelor's degree in history and is enlisted in the U.S. Marine Corps;
- ▶ **Jett Kleese**, Sullivan County High School, who will be attending Lock Haven University for early childhood education;
- ▶ **Layne McCormick**, Hughesville High School, who will be attending Southeast Lineman Training Center to become an electric lineworker;
- ▶ **Carmen Moores**, Hughesville High School, who will be attending Saint Francis University; and
- ▶ **Peyton Pretti**, Sullivan County High School, who will be attending Bloomsburg University for environmental science.

Students were invited to the co-op's Forksville office in June to receive a certificate and letter commending them for their academic and civic accomplishments. Scholarship awards were sent to each recipient's postsecondary school and applied directly to the recipient's tuition. SCREC wishes them all well in their future endeavors and is proud to be assisting them in achieving their dreams. 🎓

SUPPORTING EDUCATION:

Recipients of the Sullivan County Rural Electric Cooperative Scholarship met with SCREC staff and board members at the cooperative's office in Forksville. Shown, from left, are Director David Aumen; Vice Chairman Dr. Steve Brady; scholarship recipients Morgan Gower, Carmen Moores, Layne McCormick, Jett Kleese, and Peyton Pretti; Chair Ann Henderson; and Cooperative Communicator Sarah Parrish. Not present was Scholarship Committee Chair and Director Karen Beinlich.



Safety Message

IF YOU RELY ON A GENERATOR when your power goes out, please review these safety tips:

1. Never operate indoors. Make sure the generator is outside in a well-ventilated area.
2. Never connect a generator directly to your home's wiring. A properly installed transfer switch ensures our lineworkers are protected from backfeed.
3. Make sure the generator is properly sized to meet the electrical demand of your household.
4. Only refuel the generator after it has been shut down and allowed to cool for several minutes.

Considering purchasing a portable generator for emergencies? A GenerLink transfer switch may be the correct choice. These transfer switches can be purchased through Sullivan County Rural Electric Cooperative and are installed by our lineworkers.

GenerLinks are installed on the member's meter base. They eliminate the use of extension cords and other connections that can be hazardous to you and our lineworkers. These transfer switches detect when a generator is operating and automatically disconnect from the utility grid, eliminating dangerous backfeed.

A 30-amp GenerLink with a 20-foot cord (with tax) can be purchased for \$662.50. A 40-amp GenerLink with a 20-foot cord (with tax) costs \$795. For more information, please call our office at 570-924-3381. 📞



GENERATOR SAFETY: A portable generator sits outside in a well-ventilated area – a good safety practice!

Meet Our New CFO!

SARAH PARRISH, COOPERATIVE COMMUNICATOR

WE ARE PROUD TO ANNOUNCE that Heidi Roupp, of Ogdensburg, has recently started her career at your co-op as Chief Financial Officer (CFO).

Heidi has a wealth of knowledge in cooperative finance and accounting: she has an associate degree in business administration and a bachelor's degree in accounting from Mansfield University. She was also formerly employed by Tri-County Rural Electric Cooperative in Mansfield. She replaces Dennis Klem, who retired from SCREC in June. Heidi started her duties on May 22.

As CFO, Heidi will be managing the co-op's finances, payroll, cash balances with the bank, and monthly financial board reports. She will also be in charge of the co-op's human resources.

Heidi and her husband, Phil, have three daughters — Shea, Raeann, and Lydia. They also have a yellow lab, two cats, beef cattle, and chickens.

Please join us in welcoming Heidi to SCREC! 🎉



ROUPE FAMILY: Heidi Roupp, front center, was recently hired as Chief Financial Officer at Sullivan County Rural Electric Cooperative. She is shown with her husband, Phil, and three daughters – Shea, Raeann, and Lydia.

The Power Behind Sullivan County REC: Our Employees

A Monthly Spotlight

SARAH PARRISH, COOPERATIVE COMMUNICATOR

WELCOME BACK TO ANOTHER installment of highlighting the SCREC employees who work to keep your power on. This month the spotlight travels to the operations department, where it shines on Journeyman Lineman Tom Livezey.

Tom has been with the co-op since February 2012 — and, boy oh boy, was 2012 a hectic first year. For starters, he began in the middle of winter.

“I think it was the coldest winter on record ... well maybe not, but it definitely felt like it,” he recalls. Following that was Superstorm Sandy in October. Line crews had to work in hurricane winds while trying to set poles and reach lines with outstretched booms to restore power. It was the first storm he worked through for SCREC.

However, storm work wasn't new to

Tom: he was formerly on a tree-trimming crew with Asplundh Tree Experts. When storms hit, the crews would clear tree damage for electric lineworkers to get through to reach downed lines. The job took him from Pennsylvania to Louisiana to Florida and back.

Tom applied for the vacant line-worker position at SCREC because the career sounded interesting, and he had background knowledge working around electric lines.

“I would definitely recommend this job to anyone,” he says. “It's steady, good work, and it's not monotonous, plus it pays well. It's different every day; you never know what you're going to get into.”

And that's the truth! Line crews regularly take on a plethora of tasks — reading meters, building line, per-

forming maintenance, disconnecting service, etc.

“We wear many hats here at the co-op; that's the beauty of it,” Tom adds. “It's never the same.”

Besides the diversity of each day, Tom enjoys what most people dislike — storm restoration.

“It's a special kind of challenge,” he says.

Other than storm repair, Mother Nature is the crew's biggest challenge, aside from figuring out how to get into places (steep valleys, side hills, creek banks, ponds, etc.) with equipment to reach poles and lines.

Tom lives in Sonestown. He has three children — Madison, Ethan, and Collin — and Rocky, the dog. Outside of work he enjoys fishing, hiking, hunting, and camping (characteristics of most Sullivan County natives).

Our lineworkers spend long days — and evenings — braving all kinds of weather conditions to keep your power on or to restore it as soon as possible. Tom is just one of our nine lineworkers dedicated to serving our members 24/7. Thank you, guys, for your hard work! 🙌



OFF TO WORK: Journeyman Lineman Tom Livezey's favorite part of being at SCREC is the variety each day brings. They're never the same, and you never know what you're going to get into.

