



POWERLINES

September 2019

Tri-State Electric Membership Corporation

Vol. 63, No. 3

Tri-State EMC 71st Annual Meeting

September 21, 2019

Fannin County High School, Performing Arts Center



Registration: 8 a.m.-10 a.m.



Entertainment: 9 a.m.



Meeting: 10 a.m.





Stacy A. Chastain
General Manager

**Official Notice of
71st Annual Meeting
of Tri-State Electric
Membership Corporation
September 21, 2019**

*Please bring this notice for
registration and drawing.*

**TRI-STATE ELECTRIC
MEMBERSHIP
CORPORATION NOTICE**

Each year, the membership of Tri-State EMC is asked to elect board members. A committee was appointed by the Board of Directors on June 25, 2019, to carry out the election of the two directors whose terms expire September 21, 2019. These directors will be appointed in the procedures outlined on the next page, taken from the cooperative's bylaws. On July 23, 2019, a list of all candidates nominated by the Nominating Committee was posted at the cooperative's office for District No. 3 and District and District No. 7.

Manager's Message

It is my pleasure to share with you Tri-State EMC's June 30, 2019 annual report. I am glad to report that your cooperative continues to be financially healthy.

I want to extend a personal invitation to you for this year's Annual Meeting. The Annual Meeting is a report to the owners. It is your chance to meet your Board of Directors, learn how we did the past year and hear our plans for the future.

Please make plans to attend our Annual Meeting on September 21 at the Fannin County High School Performing Arts Center. As management of your cooperative, we continue to make every effort to improve service and reliability. If you have any questions about your cooperative, please feel free to call or stop by the office.

Stacy A. Chastain
General Manager

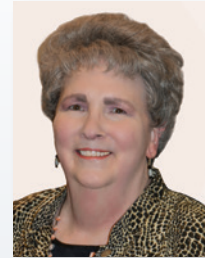
Board of Directors



Jerry Pack
President
District 4



Jesse Miller
Vice President
District 7



Mary Louise Landrum
Secretary/Treasurer
District 3



Bill Joe Postell
District 5



Jim Quintrell
District 2



Hugh Rogers
District 6



Tom Stiles
District 1

This institution is an equal opportunity provider and employer.

The Bylaws of Tri-State Electric Membership Corporation Provide the Guidelines:

Official Report of the
Nominating Committee—
July 23, 2019

Article V, Section 5.03 – Election and Tenure of Office

All Directors to be elected shall be elected by secret ballot at the Annual Meeting of the Members, beginning the Year 1972, by and from the members of the Cooperative, and Directors elected at the Annual Meeting in the Year 1972 from the even numbered Districts, two (2), four (4) and six (6), shall be elected and serve for a period of three (3) years, or until the Annual Meeting in the Year 1975, and the Directors elected from odd Districts, numbers one (1) and five (5), shall serve for one (1) year, or until the Annual Meeting in the Year 1973, at which said meeting the successors to said Directors shall be elected for three (3) years, and the Directors from the odd Districts, numbers (3) and seven (7), at the Annual Meeting in the Year 1972, shall be elected and serve for a period of two (2) years, or until the Annual Meeting in the Year 1974, at which said meeting the successors to said Directors shall be elected for three (3) years, and each Annual Meeting thereafter the number of Directors equal to the number whose terms expire at the time of such meeting shall be elected for the term to expire at the third succeeding Annual Meeting. All of said Directors shall serve until their successors shall have been elected and shall have qualified, and in the event there shall be a tie vote, or votes, in said election, those tying shall cast lots by a method provided by the C & E Committee.

Section 5.04 – Qualifications

A person shall be eligible to qualify as a candidate, run for or remain a Director only if such person:

- (a) will be eighteen (18) years of age or older on the date of election; and
- (b) is a Member of the Cooperative and bona fide resident of the District represented; and
- (c) is receiving service from the Cooperative at his primary residence, unless temporarily prevented from doing so by causes beyond such Member's control; and
- (d) is not a member of, employed by or financially interested in an enterprise or organization which competes with the Cooperative or regularly contracts with the Cooperative, except such employment, membership or financial interest which is, in the judgment of the Directors, excluding the Director in question, so inconsiderable and incidental as not to pose a reasonable prospect of a conflict of interest, however, that this determination shall be made by the C & E Committee if the person is a potential nominee or candidate for Director; or if the Directors, excluding the Director in question, request the C & E Committee to rule; and
- (e) is not currently, nor has been within the five (5) years immediately preceding the date of the election, an employee of the Cooperative, an employee or director of a competing utility or enterprise, a Close Relative of an employee of the Cooperative, or a Close Relative of an employee or director of a competing utility or enterprise. As used in this Section, Close Relative means a person who, by blood or by marriage, including half, foster, step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother or sister of the principal; and
- (f) is not the incumbent of or candidate for an elective public office in connection with which a salary is paid; and
- (g) has not failed to attend more than four (4) consecutive meetings of the Board, except when such absence is excused by a vote of the Board for reasonable cause, or who has not failed to attend, for any reason, twelve (12) consecutive meetings of the Board, or who has not been determined by the C & E Committee to be incapable of fulfilling the duties of a Director.

When membership is held jointly by husband and wife, either one, but not both, may be elected a Director; provided, however, that neither one shall be eligible to become or remain a Director, or hold a position of trust in the Cooperative, unless both shall meet the qualifications hereinabove set forth. Upon establishment of the fact that a Director is holding office in violation of any of

the foregoing provisions, the Board shall remove such Director from office. Nothing contained in this Section shall affect the validity of any action taken at any meeting of the Board.

Section 5.05 – Nomination

(a) Nomination by Nominating Committee – It shall be the duty of the Board of Directors to appoint not less than forty (40) days nor more than sixty (60) days before the date of an Annual Meeting at which Directors are to be elected, a committee on nominations (Nominating Committee) consisting of not less than five (5) members. At least one (1) member of the Nominating Committee shall be selected from each District which a Director is to be elected. No member of the Board may serve on the Nominating Committee. No Nominating Committee member shall be a Close Relative of an incumbent Director of a known candidate for Director. As used in this Section, Close Relative means a person who, by blood or by marriage, including half, foster, step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother or sister of the principal. The Nominating Committee shall prepare and post at the principal office of the Cooperative at least thirty (30) days before the meeting, a list of nominations for Directors. One or more candidates shall be nominated from each District by the Nominating Committee where Directors are to be elected for any Districts as provided by the Bylaws.

(b) Nomination by Member Petition – Members may nominate additional individuals to run for election for any Director position for which Members are scheduled to vote at any Member Meeting (Member Petition Nominations). Members may make Member Petition Nominations by delivering to the Secretary at least forty-five (45) business days prior to the Member meeting in writing for each Member Petition Nomination (Member Petition): (1) listing the name of the Member Petition Nominee; (2) indicating the Director position for which the Member Petition Nominee will run; and (3) containing the printed names, addresses, telephone numbers and original signatures of at least fifty (50) Members who are residents and take service from the Cooperative within the District for which the Member Petition nominee will run. After verifying that a Member Petition complies with this Bylaw, the Cooperative shall post the Member Petition Nomination in approximately the same location as the Nominating Committee Nominations. The Secretary shall include with the notice of the Annual Meeting or separately, but at least ten (10) 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. The names of the candidates shall be arranged by Districts. Such statement shall also designate whether each candidate was nominated by the Nominating Committee or by Petition.

(c) Restriction on Other Nominations – Except in the event that all candidates nominated as provided in this Article are deceased or withdraw in writing from candidacy prior to the election, no other nomination shall be in order.

(d) The Members may, at any meeting at which a Director shall be removed as provided in these Bylaws, elect a successor thereto without compliance with the foregoing requirements with respect to nominations; provided, however, that any such successor must reside in the District in which the Board position is vacant.

(e) Notwithstanding anything herein contained, failure to comply with any of the provisions of this subsection shall not affect the validity of any election of Directors.

If additional information is needed, please contact the EMC office. For the Board of Directors:

Stacy Chastain, General Manager

Committee members:

Gilita Carter, Heather Collis,
Leslie Nicholson, Paul Stepp and
Kathy Stewart

I certify that a meeting of the Nominating Committee of Tri-State Electric Membership Corporation was held on July 23, 2019, and the following persons were nominated for election to the office of Director of the Corporation:

District No. 3—for a term of three years:

Scott Barker
126 Smith Road
Copperhill, TN 37317

District No. 7—for a term of three years:

Jesse Miller
P.O. Box 2696
Blue Ridge, GA 30513

In accordance with the Bylaws of the corporation, the above-named person is to be presented as a nominee for the Office of Director at the Annual Meeting, to be held September 21, 2019.

Chairperson, Nominating
Committee



Gilita Carter
Tri-State Electric Membership
Corporation
P.O. Box 68
McCaysville Ga 30555

Nomination by Petition for District No. 3:

No Petitions

Nomination by Petition for District No. 7:

No Petitions

**BALANCE SHEET
FISCAL YEAR ENDING 2019**

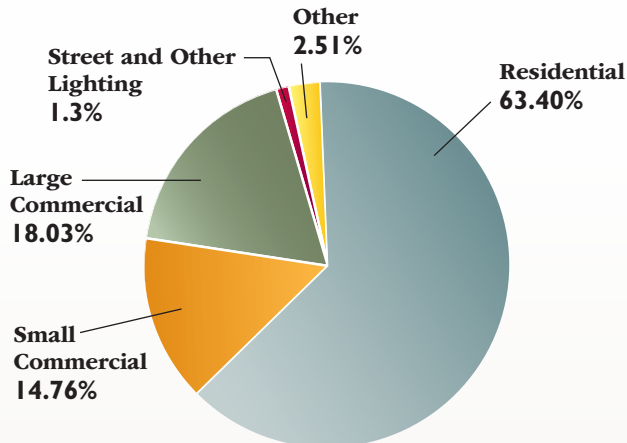
ASSETS	
Electric plant in service	72,396,795.45
Less depreciation	27,427,260.29
Total	44,969,535.16
AND INVESTMENTS	
	770,214.71
Current and accrued assets	
Cash and temporary cash investments	10,397,387.30
Accounts receivable	1,932,359.85
Materials and supplies	929,366.92
Prepayments	272,349.37
Other current assets	234,203.71
Total	13,765,667.15
Deferred Debits	
Receivable-conservation	753,595.84
Other deferred debits	1,574,200.22
Total	2,327,796.06
Total assets	61,833,213.08
CAPITAL AND LIABILITIES CAPITAL	
Membership certificates	73,295.00
Earnings reinvested in system assets	30,174,622.02
Long-term debt	22,884,930.77
Other noncurrent liabilities	2,985,014.67
Current and accrued liabilities	
Accounts payable	2,075,391.25
Customer deposits	1,598,652.01
Taxes and interest	147,339.38
Other current liabilities	1,615,348.06
Total	5,436,730.70
Deferred credits	278,619.92
Total capital and liabilities	61,833,213.08

**STATEMENT OF INCOME AND EARNINGS REINVESTED
IN SYSTEM ASSETS FISCAL YEAR ENDING 2019**

Operating Revenue	
Sales of electricity	
Residential	23,778,287.30
Commercial	5,534,106.54
Industrial	6,762,741.45
Street and other lighting	487,241.58
Total sale of electricity	36,562,376.87
Other revenue	943,108.66
Total operating revenue	37,505,485.53
Operating Expenses	
Cost of power purchased from TVA	24,376,310.16
Distribution	4,804,082.97
Customer accounts	978,237.16
Customer service, sales and information	153,368.16
Administrative and general	2,298,244.04
Depreciation	2,611,680.93
Taxes	562,522.80
Interest	986,630.27
Total operating expense and interest	36,771,076.49
Operating Income	
Other income	164,822.79
Net Income	899,231.83
Earnings Reinvested in System Assets	
Beginning of fiscal year	29,275,390.19
End of fiscal year	30,174,622.02

Fiscal Year 2019

Where It Came From



How It Was Spent

