

# 2020 ANNUAL REPORT TO OUR MEMBERS

Over 80 years of  
"Commitment to Community"

#POWER  
ON



Expanding upon our mission to provide our members with safe, affordable, reliable energy, in the coming year SVEC will be exploring the possibility of investing in co-op-owned generation as a part of the power mix. A change in the Tennessee Valley Authority's "all requirements" contract will, for the first time in TVA's nearly 90-year history, allow local power companies to generate approximately 5 percent of their electrical load.



Spring storms took out lines and poles across the SVEC system, forcing our linemen and right-of-way crews to work night and day to restore power. Shortly afterward, SVEC stepped up to assist hard-hit neighboring utilities, sending line crews to Caney Fork Electric Cooperative and the Electric Power Board of Chattanooga.

When the COVID-19 pandemic increased the demand for food for families in crisis, TVA, our energy partner, made matching funds available to local power companies to assist families in need. SVEC, through the SVECares program, provided needed funds to food banks across the service area. The Marion County Food Bank was forced to close in order to protect the health of its volunteers; however, the Sequatchie Valley Community Kitchen was able to take over the distribution of food boxes by transitioning into a food bank. The organization was the recipient of a \$2,500 grant, which when matched by TVA, provided food boxes for nearly 200 families. The other food banks and organizations in our area receiving matching funds are listed on page 24.

Sequachee Valley Electric Cooperative

#POWERON

Since 1939

# SVEC — Powering On

Providing the reliability and services needed to carry on in difficult times



Reliability is a term our industry uses to describe our commitment to providing electricity at an extraordinary level of certainty.

Sequachee Valley Electric Cooperative works each day to provide reliable and affordable electricity and other services that enhance the quality of life for our consumer-members. In recent months, we as a cooperative have expanded that mandate and demonstrated what it *really* means to be reliable, to *Power On*.

As the COVID-19 crisis has caused unprecedented disruption to people's lives, our co-op has worked to be a stronghold for you, our members, and our communities. Our goal, through these extreme circumstances, has been to *Power On* for those who rely on us.

Concern for the community is at the core of the cooperative advantage. But this principle means more than just providing utility services and investments in economic development and local charities. SVEC employees serve on local boards, lead volunteer groups, help celebrate milestones and offer their time and expertise for a variety of causes.

Since the pandemic hit, your cooperative and its employees have taken this commitment even further. From providing additional help to local food banks and community kitchens and setting up Wi-Fi "hotspots" to help those working and attending school from home to suspending late fees and disconnection of service for nonpayment during the shutdown, SVEC has been there to support our members who have lost their jobs or were otherwise suffering during this public health emergency.

SVEC's community focus will be critical in the months ahead. We will be right there with you, providing safe, affordable, reliable electric service while also helping our communities as they seek to rebuild their economies and fulfill the many other needs that have come to light during the pandemic.

Together, we will *Power On*.

Michael Partin  
President and Chief Operating Officer

## Powering ON

- Improved reliability to the Pelham Valley by replacing 13 miles of outdated copper wire and increasing voltage in the Burrough's Cove and Payne's Cove areas of Grundy County.
- Secured Broadband Accessibility Grants of \$500,000 for New Hope and \$1.6 million for the South Pittsburg Mountain, Orme and Battlecreek areas to speed up construction of the fiber optic network needed for gig-speed internet service in these unserved areas of Marion County.
- Provided free Wi-Fi hotspots in six locations across Marion County for students and those working from home.
- Secured matching funds from TVA for local food banks in Bledsoe, Grundy, Marion and Sequatchie counties to meet the rising need for assistance during the COVID-19 shutdown.



**Above:** SVEConnect's Mike Birdwell discusses the benefits fiber optics will bring to South Pittsburg Mountain with State Rep. Rick Tillis, who lent support to SVEConnect's grant applications and the need for reliable internet service in unserved areas. **Top right:** A free Wi-Fi hotspot provided by SVEConnect offers internet connection in Marion County. **Right:** SVEC lineman Reggie Shell replaces an old transformer as a part of the voltage conversion in the Pelham area.



## Board of Directors and President/CEO



Michael Jordan  
Chairman  
District 5



Roger Powell  
Vice-Chairman  
District 4



Judy Fults  
Secretary/Treasurer  
District 6



Bob Sherrill  
Director  
District 1



Randy Gilliam  
Director  
District 2



Bobby Gravitt  
Director  
District 3



Jerry Don Thomas  
Director  
District 7



Daniel Davenport  
Director  
District 8



Billy Gaston  
Director  
District 9



John Nale  
Director  
District 10



Travis Smith  
Director  
District 11



Mike Partin  
President/CEO  
SVEC

## SVECares – Empowering communities, changing lives

In 2000, SVEC launched the very successful “round-up” program, SVECares. The program allows SVEC members to donate the “change” between their actual SVEC monthly bill and the “rounded-up” amount — an average of 50 cents per month — to a fund that is used to improve the quality of life in our service area. Since the program began, SVEC members have changed thousands of lives a few cents at a time, providing opportunities, empowering community organizations and giving those in need the hope and funds to “Power On.”

Following is a listing of the many organizations that have benefited from the generosity of the SVEC members who participate in the SVECares program. Included is the total granted to families and individuals. The funds are not used for political purposes or to pay electric or other utility bills. These figures cover the money disbursed July 2019-June 2020.

### JULY 2019-JUNE 2020 SVEGARES ANNUAL REPORT

ORGANIZATION	AMOUNT	ORGANIZATION	AMOUNT
American Legion Post No. 190 — Dunlap	\$2,000.00	Sequatchie Co. Cancer Support Network	3,000.00
Beersheba Springs Free Medical Clinic	4,999.00	Sequatchie County Fair	1,400.00
Bledsoe County Cancer Care Team	3,000.00	Sequatchie Valley Community Ministries*	2,500.00
Bledsoe County Community Food Bank	4,500.00	Sequatchie Valley Community Ministries	1,600.00
Bledsoe Sheriff’s Department Christmas Boxes	500.00	Sequatchie Volunteer Fire Department	2,470.00
Bledsoe County Family Resource Center	1,000.00	SMILES - Free Dental Clinic	2,500.00
Blue Monarch Residential Recovery Program	2,000.00	South Pittsburg Volunteer Fire Department	1,750.00
Champion Commons Mentoring & Recovery	1,400.00	Southend Volunteer Fire Department	2,250.00
Christmas for Kids — Dunlap	500.00		
Coalmont Community Center	1,500.00		
Court Appointed Special Advocate Program	1,500.00		
Down Syndrome Society — Buddy Walk	500.00		
Dependable Laundry (Exceptional Enterprises)	604.00		
Dunlap Fire Department — 2019 and 2020 funds	700.00		
First Southern Baptist Church Food Bank *	1,000.00		
Franklin Co. Prevention Coalition/Grundy Co.	375.00		
Grundy County Food Bank *	1,000.00		
Grundy County Food Bank	4,500.00		
Jasper Fire Department	1,099.99		
Jasper Highlands Volunteer Fire Dept.	503.00		
Lee Station Baptist House of Hope *	1,000.00		
Marion County — back-to-school event	1,500.00		
Marion County Chamber of Commerce*	1,500.00		
Marion County Food Bank	4,500.00		
Morton Memorial UMC Food Bank*	1,000.00		
Mountain T.O.P. — low-income home repairs	2,500.00		
Multi-County Cancer Support Network	4,950.00		
Omni Outreach — TVA COVID-19 match*	500.00		
Pikeville Volunteer Fire Department	2,500.00		
Relative Caregiver Program	1,500.00		
Rigsby Volunteer Fire Department	2,000.00		
Seq. Co. Fellowship of Churches Food Bank*	1,000.00		
Seq. Co. Fellowship of Churches Food Bank	4,500.00		

  

2019-2020 DISTRIBUTIONS	AMOUNT
Total grants to organizations	\$ 79,600.99
Total grants to families/individuals	\$ 97,570.80
<b>Grand total</b>	<b>\$ 177,171.79</b>

\* Donated as matching funds for TVA’s COVID-19 Relief fund

### THANKS A MILLION! — \$2.9 MILLION ACTUALLY!

Since the program began in 2000, nearly \$2.9 million has been donated by our members to improve the quality of life of the residents of the Sequachee Valley Electric Cooperative service area.

**For more information about SVECares or to apply for assistance, visit [svalleyec.com](http://svalleyec.com) or call your local SVEC office.**



## 2019 FINANCIAL STATEMENT

### ASSETS

	2019
Electric Plant, Net	\$113,739,908
Investments	3,948,982
Current Assets	16,638,817
<b>Total Assets</b>	<b>\$134,327,707</b>

### LIABILITIES

Earnings Reinvested in System	\$79,206,907
Long-Term Debt	33,168,478
Current Liabilities	18,157,953
Other Liabilities	3,794,369
<b>Total Equities and Liabilities</b>	<b>\$134,327,707</b>

### REVENUE AND EXPENSE STATEMENT

<b>Operating Revenue</b>	<b>\$91,779,080</b>
Purchased Power from TVA	67,108,075
Operating Expense	9,059,439
Maintenance Expense	4,674,409
Depreciation Expense	6,323,922
<b>Operating Margin</b>	<b>\$4,583,235</b>
Interest Expense	1,553,859
<b>Total Operating Margin</b>	<b>\$3,029,376</b>
Other Income	491,881
<b>Net Margin</b>	<b>\$3,521,257</b>

## Your Energy Dollar – Where does it go?

