



**Choptank Electric
Cooperative**
A Touchstone Energy
Cooperative 

JULY 2020

Members First. Every Day.



Broadband is coming! Make sure that you cast your vote. Want to vote right now? Visit your SmartHub account.



Volunteers put together food donations made possible by Choptank Electric members' Round Up donations.



Mike M. Malandro
President & CEO

A MONUMENTAL VOTE FOR BROADBAND

If you get your power through Choptank Electric Cooperative, YOU have a vote!

by Mike Malandro, President and Chief Executive Officer

Your vote on the issue of Member Regulation and the opportunity it presents for our Cooperative is monumental. With this new flexibility, we will offer broadband and close the internet gap here on the Eastern Shore.

As members, you asked us to use the cooperative model for broadband the same way we did with electricity for rural households 80 years ago. The bill that passed the General Assembly in March — that set up your vote on Member Regulation — lowers the risk and allows us to use economies of scale.

When the vote passes, we will create a broadband affiliate to provide “last-mile” internet connection to rural homes and businesses. “Last-mile” is the customer service end of the broadband business. There are a lot of “middle-mile” fiber owners across our region, but few are willing to connect our most rural residents to this essential service.

Customer service and infrastruc-

ture development are what electric cooperatives do best. As a not-for-profit business, our entire focus is on delivering what you need with cost and quality in mind. This is how we will approach the broadband business.

Cooperative members have already invested \$15 million to develop a fiber-based smart grid to connect electric substations. It makes sense for us to move into the retail business and generate revenue from that investment. As a not-for-profit, that revenue benefits you, the member, by keeping rates down.

State and federal grants can provide 30-50% of the infrastructure cost for broadband. If the vote passes in August, we will move forward aggressively to spin-up the affiliate and seek the grants.

Our game plan — maps, deployment time frame, and subscription costs — should be available over the winter. We will hold community meetings to explain the plan. You

will be able to see when we expect to connect your home. It took 20 years to connect all our members to electricity. We will do this in half that time. Our 10-year plan will be one we can deliver and you can count on.

I look forward to working with you to “power the change” here on the Eastern Shore. Cast your vote. It is monumental.



www.choptankelectric.coop



P.O. Box 430 | Denton MD | 21629

Toll-Free: 1-877-892-0001

Outage Reporting: 1-800-410-4790

Automated Member Service: 1-866-999-4574

Choptank Electric Trust: Your Pennies at Work

Leveraging your Operation Round Up donations to deliver region-wide relief.



By Elizabeth Hallett

Manager of Marketing & Communications

Positive impact. That's what the Choptank Electric Cooperative Trust Board tries to accomplish with the funds provided by Choptank Electric Cooperative members when their bills are "rounded up." The Trust Board, which is affiliated with Choptank Electric Cooperative, proactively supported local communities on Maryland's Eastern Shore during the COVID-19 pandemic in April and May.

Care Packs of Talbot County is just one of many Food Bank-supported locations that received funds from the Operation Round Up program to support their increase in needs during the COVID-19 crisis. "We were serving around 200-350 families a week, and now we are serving around



From left, pictured here are John Roschy, Chairman and Queen Anne's Co. Trust Board representative; Megan Cook and Emily Moody, co-founders of Care Packs of Talbot County and a Food Bank partner; Mike Boyle, the Talbot Co. Trust Board representative; and Tom Terry, Vice Chair and Worcester Co. Trust Board representative.

500 families a week," said Emily Moody, co-founder and one of the volunteer coordinators for Care Packs of Talbot County.

"These types of monetary donations ensure we can buy wholesale food at a reasonable price, so we can feed as many families as possible," said Megan Cook, co-founder and Volunteer Coordinator for Care Packs of Talbot County. "We began this program in April 2014

with 30 kids, and now we are averaging 400 kids per week and other families, and we couldn't do it without our volunteers and the community efforts."

With all donations to local food pantries in Kent, Caroline, Talbot, Dorchester, Wicomico, Somerset, and Worcester counties, along with private charities like St. Vincent de Paul, and Chesapeake Culinary Center/Friends of the Grape

A Message from Tom Terry, Vice Chair of the Choptank Electric Trust



Tom Terry, Vice Chair
Choptank Electric Trust

The Choptank Electric Cooperative Trust, which manages the funds from the Choptank Electric Round-Up Program, fashioned a consortium of nonprofit organizations across the region to respond to the pandemic. Members of the Trust Board communicated with nine local nonprofit organizations, and the Maryland Food Bank, to financially support, organize, and distribute food to approximately 5,000 families across the Choptank service area. This project included food distributions at 14 different geographically disbursed locations in May and June where families could come and receive much-needed support.

This was an exciting time for the Trust where it could, in a special way, leverage Choptank Electric member Round-Up donations to work with other nonprofit organizations to focus on a region-wide major project to meet a critical need for our communities and families.



Inc., the total donated was over \$15,000 for food support.

“When this pandemic began, we had to cancel our April Board meeting, but we just did not want to sit back and do nothing,” said Tom Terry, Vice Chair of the Choptank Electric Trust Board. “After I contacted board members, it was decided that due to the special circumstances, we could not follow the usual application process.” The Board decided to proactively join forces with the Maryland Food Bank of the Eastern Shore and other local volunteer groups to support and ensure food distribution.

“The Trust Board took initiative to help those in desperate need and we are proud of the outcome,” said Jeff Rathell, Board Chairman of Choptank Electric Cooperative. “The members of the Trust Board exemplify the priorities of Choptank Electric and its commitment to our local communities.”

The donated funds are expected to feed over 5,000 families. With

an average family size of four, that means over 20,000 people on the Eastern Shore have a level of food security while the economy gets back on track.

“To be able to impact more than 5,000 families with this donation is incredible,” said Terry. “This makes you realize how just a little bit of help can be leveraged to positively affect so many.”

The Operation Round Up Program, which is operated as the non-profit Choptank Electric Cooperative Trust, Inc., began in 2004, as an easy way for members to make a difference in our local communities. For as little as a few cents every month, members contribute funds for local charities, needy individuals, and service organizations. The Trust Board has contributed more than \$4 million to our communities over the last 16 years.

Funded by contributions from participating co-op members by “rounding up” their monthly electricity bills, the average member

donates roughly \$6 per year.

“I want to thank every member who participates in Operation Round Up,” said Mike Malandro, President and CEO of Choptank Electric. “With your generous donations every month, the Trust Board supports many families and organizations here on the Eastern Shore. At 95% participation, Choptank Electric Co-op members are a very generous group of people.”



2019 Capital Credit Allocation

An added benefit of your Choptank Electric membership.

Choptank Electric Cooperative is a not-for-profit member-owned utility. Any margins (profits) above the cost of service are allocated back to our member/owners based on how much electricity each member purchased during the year.

The 2019 capital credit allocation was processed in June 2020, after the 2019 financial statements were reviewed and audited. The 2019 capital credit allocation notice for active members will be shown on the July 2020 electric bill in the left message area above the bill stub. Inactive members with 2019 electricity billings will be mailed a separate allocation notice.

The capital credits (margins) allocated to members' accounts for 2019 totals \$10,314,610. This is allocated between Choptank Electric (Co-op), which totals \$8,684,162, and Old Dominion Electric Cooperative (ODEC), Choptank's energy supplier, which totals \$1,630,448.

The Choptank Electric Board of Directors reviews the Co-op portion of capital credits each year and decides how and when to repay the amounts allocated. Their decision is based on a variety of factors including the overall financial condition of the Cooperative. Any decision to repay the ODEC portion of capital credits would be entirely contingent upon refunds received from Choptank Electric's energy supplier.

If you have questions about your capital credits, please contact our Member Service Center at 1-877-892-0001. Please have your account number available when you call.



Creating Wetlands as Part of Substation Project

The Mt. Zion substation presented an opportunity to improve upon existing farmland.

The Back Story

Choptank Electric often works with other utility companies to ensure reliable power distribution and typically we aim to reduce our dependence on external electrical distribution sources, and build new transmission infrastructures, which allow us to be more in control of our grid.

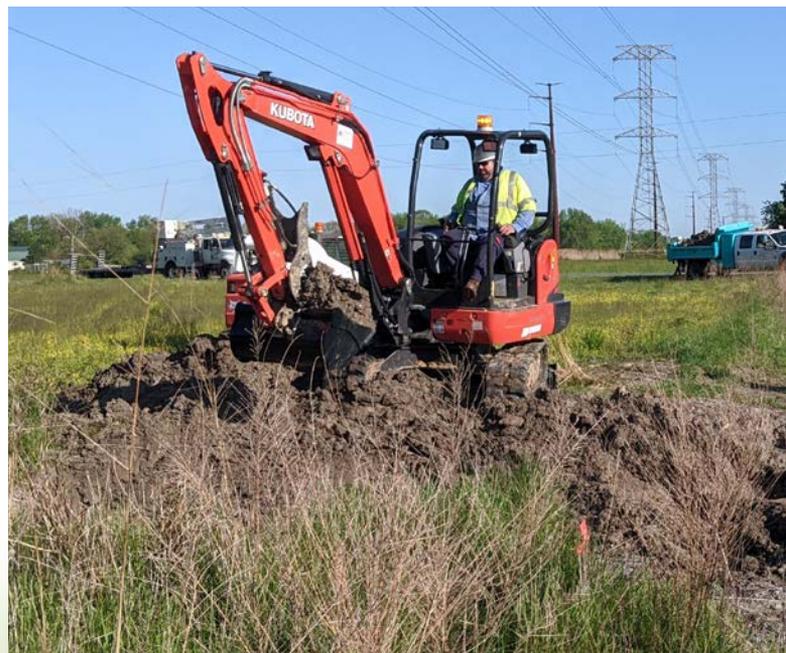
One such project is in progress at the future Mt. Zion site in Caroline County. This required replacing the transmission lines from Oil City to Hobbs that currently feeds our Williston substation. "We try to move as much load as we can from distribution to transmission lines because they are more reliable and have less downtime," said Dave Robinson, Substation and Relay Engineer for Choptank Electric Cooperative. Robinson's role is to guide the project from Choptank Electric's side while leading our Chestertown crew to work in collaboration with RK&K Engineering.

Wetland Opportunity

Part of the reason for choosing the Mt. Zion site was due to its proximity to a pond. This simplified the creation of wetlands that was required by state envi-

ronmental authorities because of the damage caused to existing wooded areas during the construction of the new transmission line.

"Often when people try to compensate wetlands,



Mt. Zion Substation Project | Continued.

they normally restore or expand an existing wetland. In this case, the site was essentially farmland,” said Jim Eisenhardt, Senior Manager for Water and Natural Resources with RK&K Engineering. Choptank Electric partnered with RK&K Engineering to design the wetland, oversee its construction, and to coordinate with local, state, and federal agencies to get approval for the wetland. The company has monitored the area for the last five years to ensure the wetlands are thriving.

During this time, RK&K Engineering has been conducting a type of maintenance called “adaptive management,” which Eisenhardt explained as adjusting the wetland to enhance its success. These adjustments include adding more plants to modifying the water levels in the wetlands to speed or slow the growth rate of the plants.

Building wetlands out of farmlands brought its own set of issues that included digging to reach the pond, rain delays, and added rain drainage that was difficult due to the water tables. Some of the



Site conditions as of April 2020, typical in spring with higher water levels before vegetation blooms.

vegetation was initially washed out, but we prevailed and succeeded in planting over 1,000 different native trees and shrubs with a good mix of wetland species. It encourages all types of wildlife like deer, herons, and bull frogs just to name a few.

Environmental Responsibility

Many of the plants that were introduced to the area specifically attract some of the birds, reptiles, fish, and other animals that you would normally find in wetlands. While state or federal regulations did not require the introduction of any animals to the area, the wetland was built to accommodate a variety of species. “You might be up to your waist if you try to find them, but the pond includes many areas and crevices to accommodate anything from native frogs to fish,” added Robinson.

“Wetlands are unique habitats for birds, amphibians, and reptiles. They also help filter stormwater, help to deter flooding, and there are specific plants that only grow in this kind of environment. From herons to egrets, local species of deer, birds, and more, wetlands are important for a variety of reasons, and thus heavily regulated

by state and federal laws,” concluded Eisenhardt.

The project is expected to reach completion this fall, pending approval from the Maryland Department of Environment and the Environmental Protection Agency.



A leopard frog found at the site.



Frog egg masses seen throughout the site (black masses).

Retzlaff Retires After 49 Years!

Will Retzlaff began his Choptank Electric journey as a Sr. Electrical Engineer in 1971.



Will Retzlaff started as a Sr. Electrical Engineer in February of 1971. He became a Project Engineer in September of 1995. He was later assigned to the position of Distribution Automation Engineer in October of 2018, where he remained until his retirement on May 29, 2020.

A huge thank you goes out to Will for his many years of dedicated service to the Cooperative and its members. We wish you a long and happy retirement! You will be sorely missed!

Our offices will be closed Friday, July 3, 2020, to observe the 4th of July holiday.

"Where liberty dwells, there is my country." – Benjamin Franklin

The Co-op Welcomes Two New Employees

Choptank Electric welcomes Dan Burt and James Stephenson.



James Stephenson
Member Service Specialist
Member Services



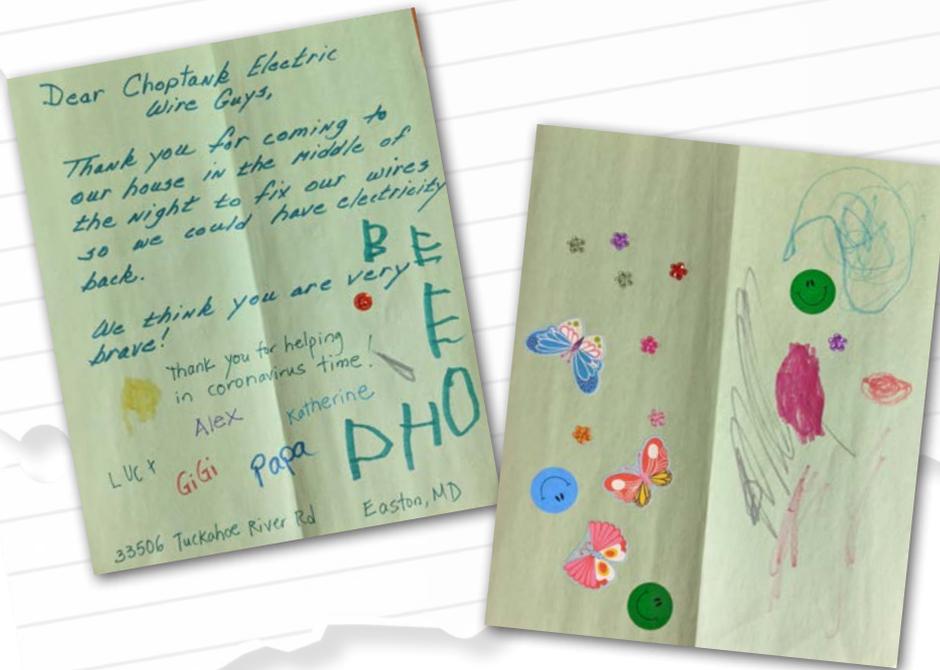
Daniel Burt
Mgr. Smart Grid Fiber Plant
Technical Services

James Stephenson landed our Member Service Specialist position after being employed with Piedmont Airlines. Stephenson lives in Salisbury with his family and two English bulldogs. He is excited to help our call center serve our members by alleviating frustrations and building better relationships.

Daniel Burt is our new Manager of Smart Grid Fiber Plant. He has over 20 years of experience supporting large enterprise and broadband service providers all over the Mid-Atlantic. He lives in Parsonsburg, Md., and is engaged to be married. He has three children. Dan looks forward to contributing to the Cooperative's future fiber projects.

Member Notes

Talbot County members, Lucy, Gigi, Papa, Alex, Katherine, and Phoebe, took the time to write a very thoughtful letter for our linemen who were out in the Easton area during a nighttime outage. Our linemen are heroes no doubt, making sure power stays on for all of our members, whether it is day or night and regardless of the weather!



Choptank Electric Cooperative, Inc.

Choptank Electric, a Touchstone Energy Cooperative, is a not-for-profit, member-owned, electric distribution Co-op serving approximately 54,000 residential, commercial, and industrial members in all nine counties on Maryland's Eastern Shore.

President and CEO

Micheal E. Malandro

Board of Directors

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Robert B. Thompson
Ocean Pines District

Donna R. West
Worcester Co.

Craig N. Mathies Sr.
Somerset Co.

Choptank Electric Trust Awards

The Choptank Electric Trust is a 501(c)(3) charitable foundation funded by Operation Round Up donations from members of Choptank Electric. Funds from the Trust are distributed in all nine counties of Maryland's Eastern Shore.

April 2020

- Chesapeake Culinary Center - \$3,000
- The Cricket Center - \$2,627
- Society of St. Vincent de Paul - \$2,000
- Maryland Food Bank (Kent County) - \$2,700
- Maryland Food Bank (Wicomico County) - \$2,700
- Maryland Food Bank (Caroline County) - \$920
- Maryland Food Bank (Dorchester County) - \$920
- Maryland Food Bank (Somerset County) - \$920
- Maryland Food Bank (Talbot County) - \$920
- Maryland Food Bank (Worcester County) - \$920

The total of approved applications for April was **\$17,827.00**, which included **\$200.00** for individual home and medical expenses.

May 2020

- Northeast Middle School - \$3,435
- Mary Mac Foundation - \$1,000
- Scout Troop 0077 - \$480
- Community Church at Ocean Pines - \$949
- Positive Strides - \$1,300
- Wags and Wishes Animal Rescue - \$300
- Caroline County Humane Society - \$1,000
- Hurlock Voluntary Fire Company - \$2,000

The total of approved applications for May was **\$23,278.95**, which included **\$12,814.95** for individual home and medical expenses.