



NOTICE OF 2019 ANNUAL MEETING

2018 ANNUAL REPORT TO MEMBERS



Rough storms prove the strength of our anchors

When we christened the new Tideland dispatch center in July 2018, two early season hurricanes were already churning away in the Atlantic. Beryl and Chris never impacted Tideland territory, but three letters later we were battling Hurricane Florence, arguably the worst storm in our co-op's 78-year history.

A mere month and seven letters later, Michael, the fourth most-intense hurricane to ever make US landfall, took a parting swipe at Tideland as it returned to sea.

In *Little Women*, Louisa May Alcott wrote, "I am not afraid of storms, for I am learning how to sail my ship." On many levels the same holds true for Tideland.

We've made it a strategic objective to learn from past storms and put in place the people, processes and plans to better prepare for crisis, improve response times and expedite recovery.

We will always approach storms with a healthy respect for the forces of nature, but your electric co-op is increasingly a formidable force of its own.



Infrastructure & technology investments to meet your changing energy needs

MEMBER CAPITAL

In 2018, Tideland returned \$1.2 million in capital credits to both current and former members of the cooperative. The largest portion, \$750,000, went to members who had service in 1991. The remaining dollars were refunded to the estates of deceased members.

RATES

Rate stability continued throughout 2018. The average wholesale power cost adjustment per 1,000 kilowatt-hours was \$0.31 in 2018, down from \$2.24 in 2017. Our published rates have not increased since January 2013.

Recovery continues: When Hurricane Florence struck, the co-op had 23,074 active services. The following month we billed just 22,692 accounts. Eight months later our billed accounts stood at 22,790.

On February 6, 2018, Tideland energized its newest state-of-the-art substation. Alleviating load on the co-op's Silver Hill substation, the new Fairfield Harbour substation serves nearly 3,000 metered services in Pamlico and Craven counties.

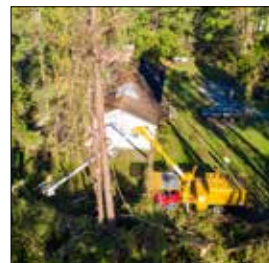
We continue to invest in smart grid technologies that reduce outage frequency and duration. Advanced system map-

ping and work order management has significantly improved day-to-day operational efficiency.

Looking ahead, we will have to increase investments in underground service replacements. In addition to the normal aging of underground conductor, much of our infrastructure in Craven County was impacted by salt water inundation during Hurricane Florence.

MICROGRID

In October, NC Department of Environmental Quality Secretary Michael Regan visited Ocracoke to tour the 3-megawatt peaking plant and microgrid project. This exploration of next generation energy technologies would not be possible without NC Electric Membership Corporation and more than 200 Tideland members who volunteered to participate.



Hurricane stats

57
broken
poles

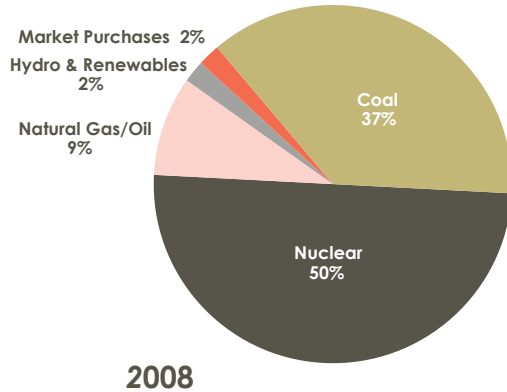
49
damaged
transformers

2,810
feet of wire
replaced

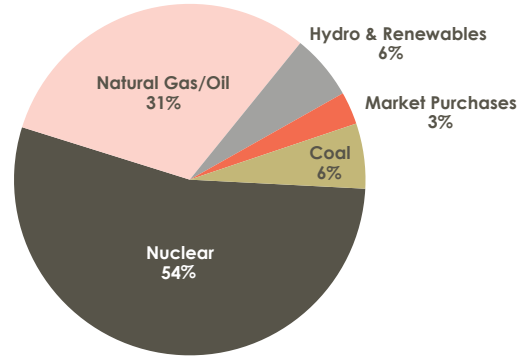
5,758
manhours
worked to
restore power

\$2.2
million
co-op's cost to
recover from
hurricanes
Florence &
Michael

How your power is generated today: a decade of change



2008



2018

Our board of directors

From left to right: Paul Sasnett, president; Clifton Paul, secretary; Dawson Pugh; Wayne Sawyer; Charles Slade; Rudy Austin; Mark Carawan; Garry Jordan; David Ipoek, treasurer; and J. Douglas Brinson, vice-president.



GRAND PRIZE DRAWING: \$500 ELECTRIC BILL CREDIT

Official Notice of Annual Meeting

You are hereby notified that the 2019 Annual Meeting of Members of Tideland Electric Membership Corporation will be held at Beaufort County Community College in Washington, NC, on Thursday, May 9, at 7:00 p.m. to take action upon the following matters:

- 1) the reports of officers, directors and committees;
- 2) the election of three (3) directors of the cooperative to serve three-year terms; &
- 3) the transaction of such other and further business which may come before the meeting, or any adjournment thereof.

In accordance with the cooperative's bylaws, the nominating committee nominated the following members as candidates for seats on the Board of Directors:

- | | |
|-------------|--------------------|
| District 1: | Rudy Austin |
| District 3: | Dawson Pugh |
| District 9: | J. Douglas Brinson |

There were no nominations by petition. Meeting registration will begin at 6:30 p.m.

Clifton Paul
Secretary





BALANCE SHEET

COMPARATIVE STATEMENT OF INCOME & EXPENSE

ASSETS	2018	2017
Electric Plant	\$136,853,274	\$133,136,036
Less Depreciation	(30,065,371)	(27,449,581)
Net Electric Plant	106,787,903	105,686,455
Cash & Investments	17,313,284	13,997,698
Accounts Receivable	7,415,790	6,908,247
Materials, Supplies & Other Assets	3,767,259	3,281,773
Prepayments	70,065	201,610
TOTAL	\$135,354,301	\$130,075,783

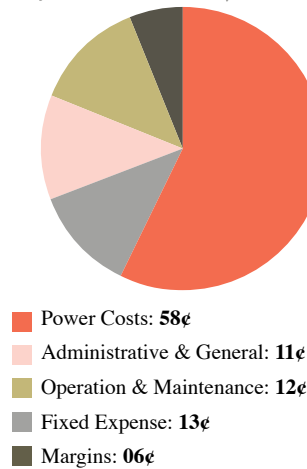
LIABILITIES	2018	2017
Long-Term Debt	\$68,928,284	\$63,921,731
Consumer Deposits	1,026,220	1,086,950
Accounts Payable	2,975,368	3,526,219
Other Liabilities & Credits	13,558,319	14,037,202
Patronage Capital & Other Equities	48,866,110	47,503,681
TOTAL	\$135,354,301	\$130,075,783

INCOME	2018	2017
Electric Sales	\$46,786,034	\$42,662,092
Misc. Revenue, Interest & Dividends	2,551,270	2,162,776
TOTAL	\$49,337,304	\$44,824,869

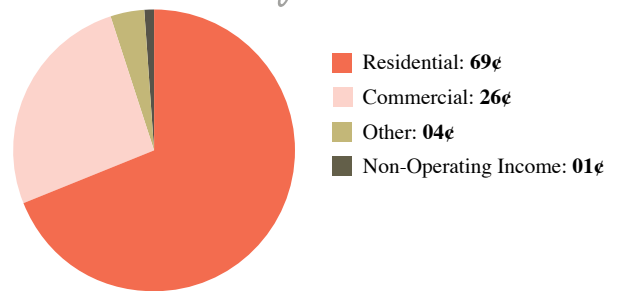
EXPENSE	2018	2017
Purchased Power	\$28,512,772	\$24,620,410
Operations & Maintenance	5,773,464	5,744,590
Administration & General	5,726,085	5,667,403
Fixed Expenses (taxes, interest & depreciation)	6,422,385	6,076,323
TOTAL	\$46,434,706	\$42,108,726

NET MARGINS	2018	2017
	\$2,902,598	\$2,716,142

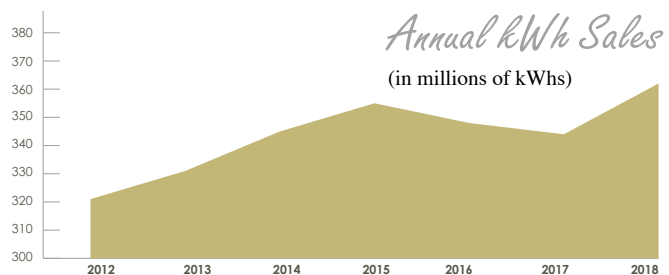
Where each \$ went



Where each \$ came from



Annual kWh Sales
(in millions of kWhs)



MARGIN ALLOCATION

Annual allocations represent each member's share of net margins. These dollars are invested in capital improvements and maintenance thus reducing co-op borrowing costs. Allocated margins are eventually retired back to members.

If you paid this much for power in 2018:	\$1,200	\$1,800	\$2,400
Your share of 2018 member margins is:	\$59.82	\$89.73	\$118.63