

Tideland Topics

Real People. Real Power.

INNOVATION MOTIVATION

In the midst of change, we rise.



2019
Annual Report

**Notice of 2020
Annual Meeting
Postponement**



No Member Is An Island

We're all in this together because every member counts.

◀ Front cover: Highway 12 on Ocracoke after Hurricane Dorian. Photo by Andrea Coleman
Sisters Maci and Chloe Eure enjoy social distancing at Terra Ceia Farms. Photo by Amy Gibbons



In less than a year, the co-op suffered damage from three hurricanes. As a result, 2019 was largely defined by storm recovery and capital intensive construction projects. The tab for Hurricane Dorian totaled \$1.5 million, equal to 3.2% of Tideland's annual electric sales revenue. Fortunately, we were approved to receive \$1.8 million in disaster reimbursement funds for damages related to the 2018 hurricanes and received \$1.3 million of that in 2019. That and the implementation of a wholesale power cost adjustment charge in July allowed us to hold off on a 2019 rate increase even as we continued to make a sizeable down payment on our share of state coal ash cleanup expenses.

In response to more devastating storms and a changing landscape, we continue to aggressively pursue projects that harden our infrastructure and improve system reliability and resiliency. Since 2013, we have invested over \$33 million in these projects and an additional \$26 million will be spent by the end of 2023 as we rise to the challenge of providing service in a beautiful yet harsh coastal environment.

◀ Post-Dorian Ocracoke
Andrea Coleman photo

Debris-lined island road ▶
Connie Leinbach photo



OUR BOARD OF DIRECTORS



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Small Business is Big



AGRIBUSINESS

Agriculture and agribusiness, including food, forestry and fiber, contributes \$91.8 billion to the state's economy. Tideland territory has seen an increase in specialty crops, from local hemp production to purple sweet potatoes that become Terra brand vegetable chips.



MARICULTURE

Seafood remains one of the most important contributors to the Tideland area economy. Changing industry dynamics have given rise to new endeavors like oyster farming as well as value-added packaging and processing.



MICROBREWING

Nothing pairs better with a hot, sunny day on one of the world's best beaches than a local craft beer. Tideland territory is now home to the Lost Colony Brewery in Stumpy Point and 1718 Brewing at Ocracoke.



▲ We love them like our own.

Safety is job No. 1 at Tideland EMC. Each year we reach hundreds of people through our high-voltage safety displays. Our favorite audiences are school-aged children. Not only are they eager learners, they are sure to spread the word. Hats off to our young safety disciples.

2019 OPERATIONAL HIGHLIGHTS

- Reconstructed the three-phase Merritt circuit (south) and constructed a new circuit substation exit. Total circuit investment: \$1.6 million.
- Installed 12 metal poles on Ambrose Road in Pinetown in the first phase of a \$2.7 million subtransmission upgrade between the Five Points and Washington substations
- Began work on a \$3.5 million extension of the Ocracoke submarine cable to address erosion threats to our existing overhead line
- 147 linemen and tree crews restored power over a five-day period to the 85% of our membership impacted by Hurricane Dorian

POSTPONEMENT OF ANNUAL MEETING

Tideland EMC has carefully followed the spread of the coronavirus in the United States and North Carolina. The consistent messages as of the deadline for this article from the President of the United States, the Centers for Disease Control, and the Governor of North Carolina strongly discourage meetings of large numbers of people. Therefore, please take notice that the 2020 Annual Meeting of the Members of Tideland EMC, previously scheduled for Thursday, May 7, 2020, at Beaufort County Community College, has been indefinitely postponed. The Board of Directors takes this action in order to protect the

health and safety of Tideland members and employees. We hope to reschedule the meeting later in calendar year 2020 when large meetings will be considered "safe" again. In the event we are unable to convene the meeting prior to December 2020, the Cooperative's Bylaws include ample protections for the Cooperative to continue meeting the needs of its membership. When the Board of Directors takes action to reschedule the 2020 Annual Meeting, we will notify the membership in a future issue of "Carolina Country."

For now, we refer you to this Annual Report of our operations for 2019. During 2019, the Cooperative earned and allocat-

ed positive patronage margins of \$2,411,686. Tideland also refunded a total of \$454,984 in previously allocated capital credits. Other operating highlights for 2019 included: USDA Rural Utilities Service approval of a new Construction Work Plan; planning and financing for much needed submarine cable construction at the south end of Hatteras Island; and rebuilding from the damages inflicted by Hurricane Dorian.

As always, we will be happy to respond to any questions you may have about the 2019 Annual Report and our activities during the year. It is our privilege to serve you.

BALANCE SHEET

COMPARATIVE STATEMENT OF INCOME & EXPENSE

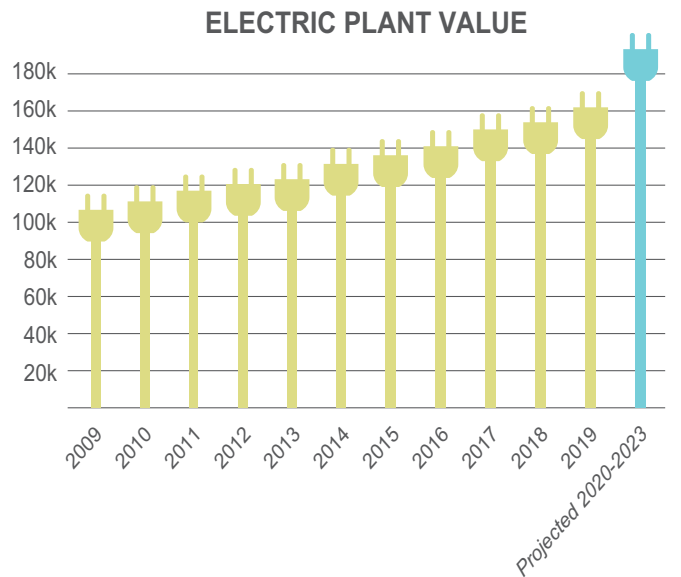
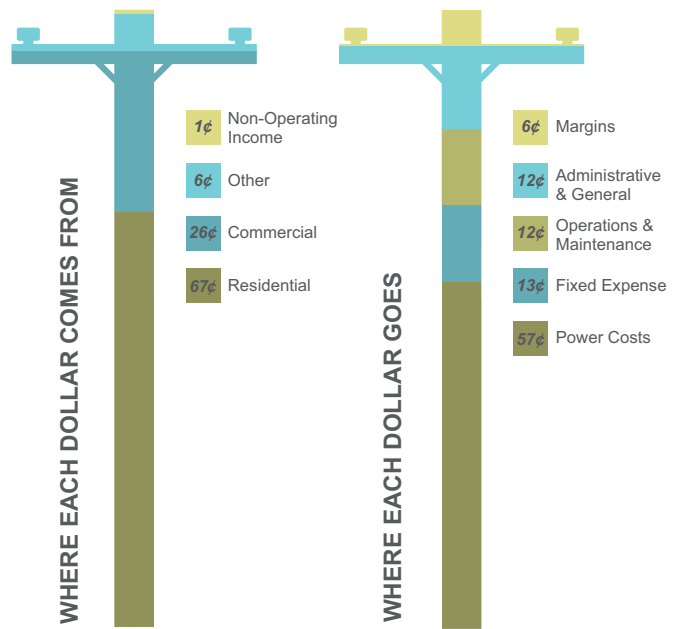
ASSETS	2019	2018
Electric Plant	\$143,485,469	\$136,853,274
Less Depreciation	(31,540,616)	(30,065,371)
Net Electric Plant	111,944,852	106,787,903
Cash & Investments	16,114,226	17,313,284
Accounts Receivable	8,421,622	7,415,790
Materials, Supplies & Other Assets	3,025,623	3,767,259
Prepayments	46,165	70,065
TOTAL	\$139,552,488	\$135,354,301

LIABILITIES	2019	2018
Long-Term Debt	\$67,031,424	\$68,928,284
Consumer Deposits	1,022,148	1,026,220
Accounts Payable	7,813,848	2,975,368
Other Liabilities & Credits	13,617,480	13,558,319
Patronage Capital & Other Equities	50,067,588	48,866,110
TOTAL	\$139,552,488	\$135,354,301

INCOME	2019	2018
Electric Sales	\$46,466,561	\$46,786,034
Misc. Revenue, Interest & Dividends	3,432,838	2,551,270
TOTAL	\$49,899,399	\$49,337,304

EXPENSE	2019	2018
Purchased Power	\$28,147,639	\$28,512,772
Operations & Maintenance	6,182,269	5,773,464
Administration & General	6,082,388	5,726,085
Fixed Expenses (taxes, interest & depreciation)	6,641,883	6,422,385
TOTAL	\$47,054,179	\$46,434,706

NET MARGINS	2019	2018
	\$2,845,220	\$2,902,598



MARGIN ALLOCATION

Allocations represent each member's share of net margins. These funds are invested in capital improvements and maintenance, reducing Tideland's borrowing costs. Allocated margins are eventually retired back to members.

If you paid this much for power in 2019:	\$1,200	\$1,800	\$2,400
Your share of 2019 member margins is:	\$61.24	\$91.87	\$122.49

▲ Member Michael Kalna
1718 Brewing
Ocracoke