

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



Paul Sasnett
President



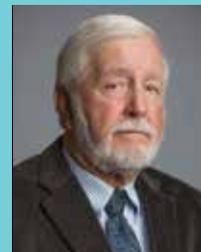
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Clifton Paul
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Rudy Austin



Mark Carawan



Garry Jordan



Dawson Pugh



Wayne Sawyer



Charles Slade

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

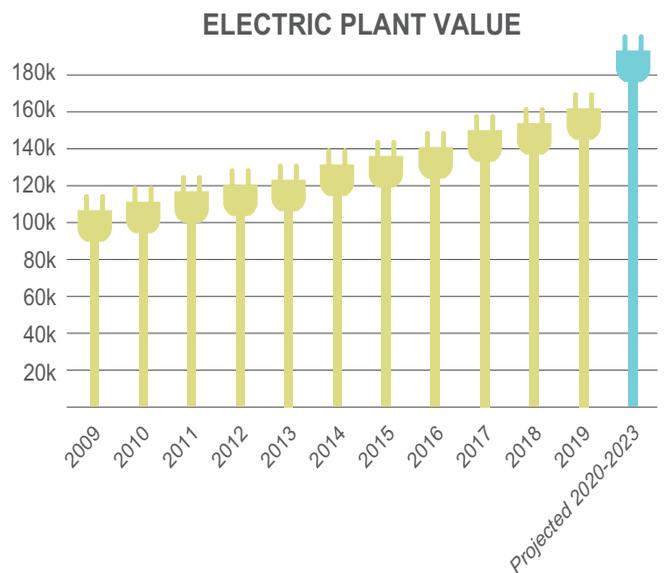
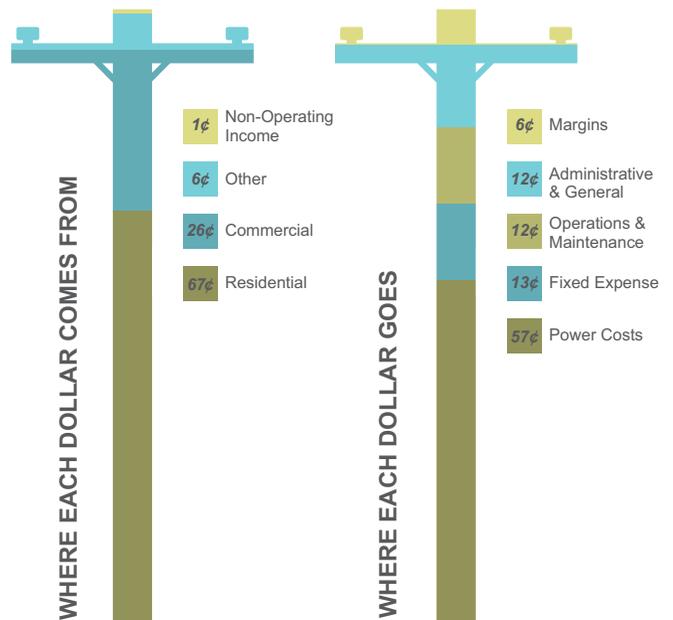
ASSETS	2019	2018
Electric Plant	\$143,485,469	\$136,853,274
Less Depreciation	(31,540,616)	(30,065,371)
Net Electric Plant	111,944,852	106,787,903
Cash & Investments	16,114,226	17,313,284
Accounts Receivable	8,421,622	7,415,790
Materials, Supplies & Other Assets	3,025,623	3,767,259
Prepayments	46,165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

Member Message

A storm of a different variety

► Paul Spruill, General Manager & CEO

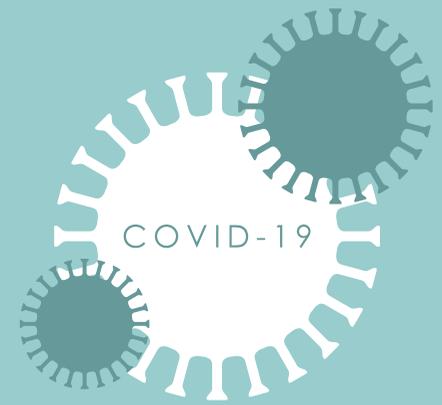
Tidelanders know all too well the anxiety that comes with an approaching hurricane. The seemingly endless wait while you refresh forecast models for the latest coordinates. Wondering if you have taken all the necessary precautions. Worrying what damage you and your community may suffer.

The coronavirus crisis has many of us experiencing similar feelings, but instead of looking for updated satellite imagery, we return over and over again to sites that track the path of COVID-19.

The co-op did not have a global pandemic in our local emergency response playbook. Nevertheless, our daily commitment to safety, reliability and resiliency well positioned us to remain productive on your behalf while adhering to both state and federal COVID-19 guidelines. I appreciate the efforts made by each of our employees to safeguard their own health and that of co-workers and members.

To members experiencing a financial hardship resulting from the COVID-19 crisis, please reach out to us if you anticipate a delay in making your on-time electric bill payment. While non-payment disconnects and late fees have been suspended through May 31, we have several tools at our disposal to help you rebound from the eventual resumption of normal service rules and regulations. For some, levelized billing may ease budget concerns. Those with an existing security deposit may want to use those funds to convert to our FlexPay service option. Regardless of your budget situation, every member with a post-paid account should sign up for a high energy use alert via email or text message. It is your best defense to avoid an unusually high electric bill. That is particularly important for those of you now telecommuting, homeschooling or spending more time at home while furloughed from work.

While Tideland is committed to practicing responsible physical distancing, don't hesitate to reach out to us by phone or email. We're here for you.



REMEMBER: Communication is key

If you are experiencing a financial hardship due to COVID-19, please call us for tools and payment plans that can help you and your family weather this uncertain season of life.

800.637.1079

☀️ SUMMER RESIDENTIAL RATES EFFECTIVE MAY 1

Summer residential rates return beginning with May 1 electric bills. While our summer rates are slightly higher (12.48¢) than winter rates (11.49¢), a wholesale power cost adjustment credit of \$1.79 per 1,000 kWh remains in effect.

- CHANGE FILTERS MONTHLY
- AIM FOR A 78° AC SETTING
- CLOSE DRAPES AND BLINDS



On March 19, crews completed splicing and successfully energized the new submarine cable on the south end of Hatteras Island. This \$3.5 million project ensures continuity of service to Ocracoke in the face of continued erosion and encroaching seas. The existing overhead line will be removed, allowing the area to return to its natural vegetative state.

▲ Crews celebrate the final splice before burying the splice box. (left to right) Jace Waters, Anderson & Wood; Jim Ackerman, Anderson & Wood; Ben Beagle, Tideland EMC; Ian Stangle, Kerite Cable Services; Brad Gonce, Anderson & Wood; and Joe Simmons, Kerite Cable Services



FIELD TRIP

Terra Ceia farm offers welcome reprieve

If there was a silver lining to be found in social distancing, many found it at the Van Staauldenin family's Beaufort County flower farm. As the Terra Ceia tulips bloomed a pilgrimage began of bright-eyed youngsters and their families eager for a change of scenery.

Thank you to each of the photographers that shared their precious memories with us.

▲ From top, clockwise:

Claire Emanuel
Photo by Amy Emanuel

Raylee Sawyer
Photo by Allison Vann Sawyer

Noah Shively
Son of Tideland lineman Robert Shively
Photo by Christy Rose Shively



◀ Good day, sunshine

Walker Jefferson
Photo by Michelle Hooper



May is electrical safety month

While spring is such a beautiful season, it often ushers in an increase in accidents involving electricity as we rush to enjoy the great outdoors.

Recommit yourself to safety this spring with these tips:

- Note the location of overhead lines before flying a kite or trimming trees, while using ladders, and when sailing. Do not allow children to climb trees in close proximity to overhead lines.
- Never use damaged cords for outdoor power equipment and always use a GFCI outlet with a properly sized three-prong extension cord to protect against electric shocks.
- Childproof electrical outlets
- Always call 8-1-1 before you dig
- Test your GFCI outlets to ensure proper operation

▲ Tiptoeing through the tulips
Fischer and Claire Carr
Photo by Michelle Hooper

May Maintenance Schedule

Tideland has hired Lucas Tree Experts to trim trees in our right-of-way. During May they will be working in the communities of Arapahoe, Oriental, and Merritt.

Our Lee Construction contractors will have crews working in the following areas:

- Trent Road - Merritt
- Old Bay River Road - Grantsboro
- Shore Drive - Creswell
- Lawton Road - Ocracoke

Osmose pole inspection contractors will be working on our Craven County circuit.

On April 9, Mastec construction began work on the subtransmission route between our Five Points and Washington substations. Iron poles will replace all 141 existing wooden poles. This \$2.7 million project should be complete by July.

LEVELIZED BILLING

If your summer electric bills are typically higher than your winter bills, now would be a great time to give levelized billing a try. Levelized payments are based on a rolling average so month to month payments fluctuate no more than a few dollars. Your electric bill must be current and remain current to be enrolled in the program.

To enroll call us at 800.637.1079.

Let's Stay Connected!

While our in-person access has been temporarily restricted, our Tideland EMC team continues to serve our members by providing support and resources wherever needed via:



For more details about how to access these points of contact, visit tidelandemc.com/contact-us or call **(800) 637-1079**

*Real People.
Real Power.*

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www.tidelandemc.com

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Rudy Austin

Mark Carawan

Garry Jordan

Dawson Pugh

Wayne Sawyer

Charles Slade

GENERAL MANAGER & CHIEF EXECUTIVE OFFICER

Paul Spruill

EDITOR

Heidi Jernigan Smith

Member Service

252.943.3046

800.637.1079

24 Hour Outage Reporting & Automated Services

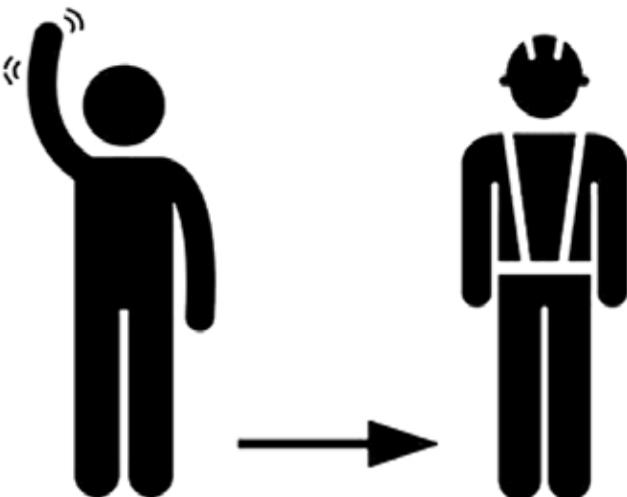
252.944.2400

800.882.1001

Tideland EMC is an equal opportunity provider & employer

Social Distancing

Our crews are practicing social distancing while they continue to do the important work of the cooperative. Be sure to wave "hello" but please give them wide berth because we're all in this together.



HOLIDAY CLOSING

While most of our team will observe the Memorial Day Holiday on Monday, May 25, our 24-hour call center remains open and on-call crews will be available for outages and service emergencies.

Enjoy the holiday safely and responsibly.