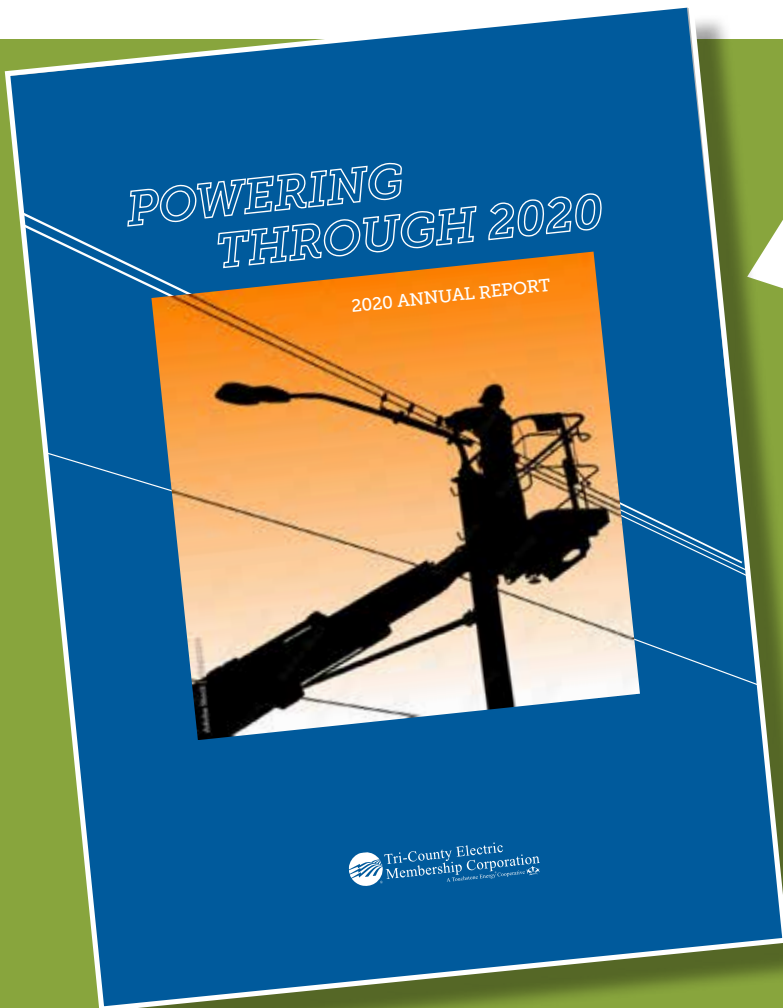


November 2021

Carolina country



Look Inside!

See center pages for the
2020 Annual Report
and more information

and Join Us:

For the 2021 Tri-County
Electric Membership Corporation
**DRIVE-THRU ANNUAL
MEMBERSHIP MEETING**

Saturday, November 13, 2021
Tri-County EMC Corporate Headquarters
4255 US Hwy 117 Alt.
Dudley, NC 28333

Hours: 9 AM–3 PM

Members will remain in their
vehicles to register, vote and
receive registration gifts!

 Tri-County Electric
Membership Corporation
A Touchstone Energy Cooperative

Your Touchstone Energy Cooperative

PERIODICAL

Safety Guidelines for Tri-County EMC's Drive-Thru Annual Meeting

- Please do not arrive before 9 AM.
- All members must remain in their vehicle at all times.
- Follow directions of Tri-County EMC traffic control.
- All vehicles are to remain in "park" while the vehicle is in the registration/voting/gift areas.
- Refrain from cellphone use while in the registration/voting/gift areas.

Drive-Thru Registration Process

- **Step 1:** Enter Tri-County EMC's office off Hwy 117 Alt.
- **Step 2:** Follow signs/direction to registration lanes
- **Step 3:** Members will register, receive \$10 and voter ballot at stop 1
- **Step 4:** Members will drop off voting ballot at stop 2
- **Step 5:** Members will receive registration gift at stop 3
- **Step 6:** Follow signs/direction to exit

Registration Gifts

All registered members will receive \$10 and a registration gift bag which includes: a TCEMC cap, a calendar, blanket, potholders and 3-in-1 charging buddy.

Prize Drawings

Tri-County EMC will hold a prize drawing to give out 81 (eighty-one) \$81 gift certificates (bill credits) for electricity. Drawing will be held live on Tri-County EMC's Facebook page.



Official Notice of the 2021 Annual Meeting of Members

81ST ANNIVERSARY-NOVEMBER 13, 2021

You are hereby given notice of and invited to attend the 2021 Drive-Thru Annual Meeting of Tri-County Electric Membership Corporation on Saturday, November 13, 2021, at Tri-County EMC Corporate Headquarters in Dudley, NC. Registration will begin at 9:00 AM until 3:00 PM.

As set forth in the Bylaws of the cooperative, a Nominating Committee met in September and made nominations for terms as follows:

DIRECTOR FOR DISTRICT 1 - DUPLIN COUNTY

(Vote for one)

Jennings Outlaw

(3-year term)

DIRECTORS FOR DISTRICT 2 - WAYNE COUNTY

(Vote for two)

David Vinson

(3-year term)

Jeff Henderson

(3-year term)

2021 NOMINATING COMMITTEE

The Nominating committee met September 7, 2021, to consider members for nomination to the Board of Directors. Three members will be elected at this year's Annual Meeting on November 13, 2021. Each member elected will serve a term of three years. Nominations for this year's election are published above in the Official Notice of the meeting.

NOMINATING COMMITTEE MEMBERS

Ann Price Hinson
Seven Springs, NC

Chad Sutton
La Grange, NC

Clint Britt
Albertson, NC

Jacqueline Wallace
Mount Olive, NC

Kay Harrell
Mount Olive, NC

Ronnie Bartlett
La Grange, NC

Stephanie Howard
Mount Olive, NC

2021 CREDENTIALS AND ELECTIONS COMMITTEE

The primary responsibility of the Credentials and Elections Committee is to:

- Resolve all questions that may arise with respect to the registration of members in person.
- Count all ballots cast in any election or in any other ballot vote taken, and
- Rule on the effect of any ballots irregularly marked.

The Committee's decisions on all such matters are final.

CREDENTIALS AND ELECTIONS COMMITTEE MEMBERS

Geraldine Grady
Seven Springs, NC

Prentice Herring
Mount Olive, NC

Kathy Outlaw
Mount Olive, NC

Ronald Parks
Mount Olive, NC

AJ Price
Seven Springs, NC

Scott Price
Seven Springs, NC

Billy Waters
Mount Olive, NC



ABOUT THE NOMINEES



Jennings Outlaw

DISTRICT 1: DUPLIN COUNTY

Mr. Jennings Outlaw serves as Vice President of the Tri-County EMC Board of Directors and is an Engineer with Eastpointe. He and his wife, Julie, live in Mount Olive. He attends Woodland Methodist Church where he serves as Chairman of the Administrative Council. He is also a member of the Economic Development Board of Duplin County and Board of Trustees with James Sprunt Community College. He is a member of REAP and ACRE committees with the co-op and has completed the Credentialed Cooperative Director (CCD), the Board Leadership Certificate (BLC) and Director Gold Certificate.



David Vinson

DISTRICT 2: WAYNE COUNTY

Mr. David Vinson is the Owner and Operator of David Vinson Farms, Inc., and serves as the Treasurer of the co-op's Board of Directors. He and his wife, Cindy, live in La Grange where he is a member of Garris Chapel Church in La Grange. Mr. Vinson also serves on the board of Seven Springs Fire Department. He is a member of REAP and ACRE committees with the co-op and has completed the Credentialed Cooperative Director (CCD), the Board Leadership Certificate (BLC) and Director Gold Certificate.



Jeff Henderson

DISTRICT 2: WAYNE COUNTY

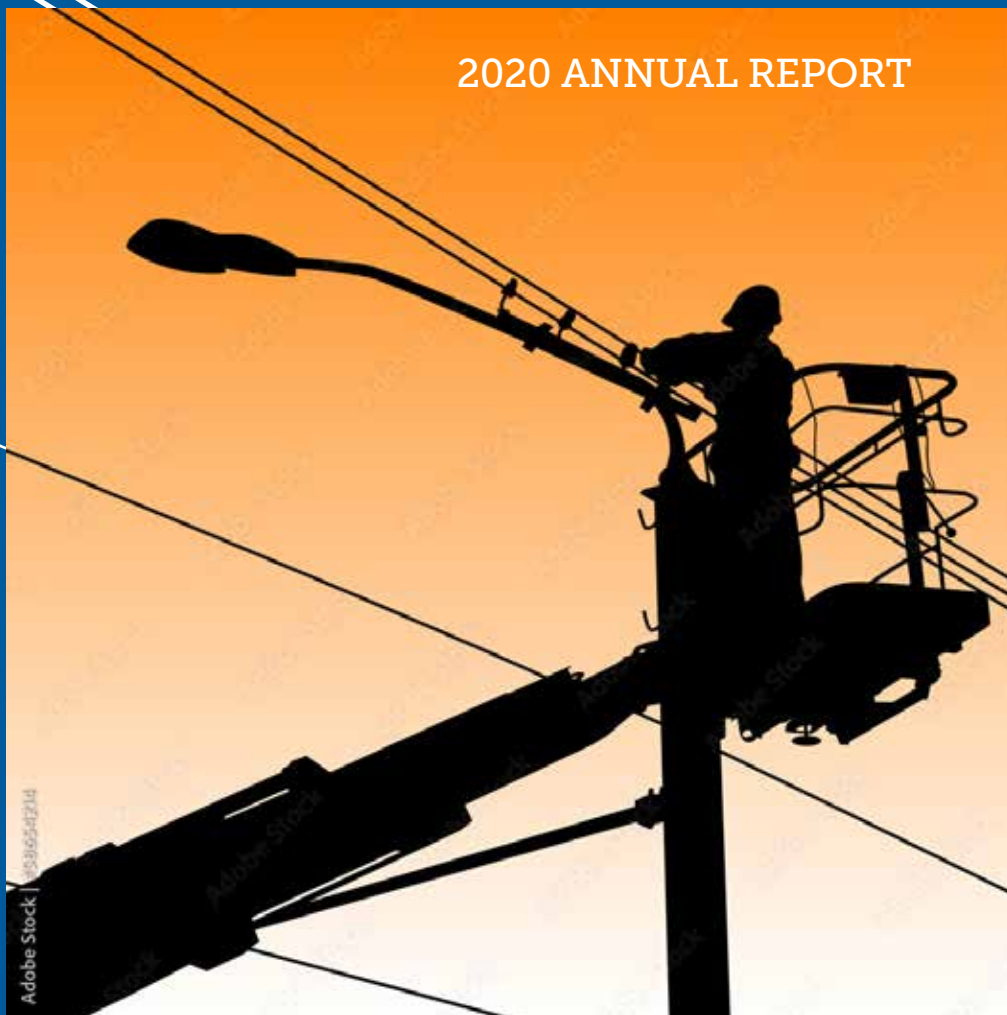
Mr. Jeff Henderson is a licensed Dispensing Optician of Carolina Vision Care of Kinston. He and his wife, Nancy, live in Grantham. He is a member of Eureka Christian Church, where he serves as a Deacon. Mr. Henderson is also a member of Neuse Retrievers and Eastern Carolina Retrievers. He is a member of REAP and ACRE committees with the co-op and has completed the Credentialed Cooperative Director (CCD).

MISSION STATEMENT

Tri-County Electric Membership Corporation is a member-driven cooperative committed to providing reliable electric power at a reasonable cost, to offering superior service, and to taking an active role in supporting the communities it serves.

POWERING THROUGH 2020

2020 ANNUAL REPORT



Adobe Stock | 5590542314



Tri-County Electric
Membership Corporation

A Touchstone Energy Cooperative 



Tri-County EMC hosted Erica Levai, a science teacher at James Kenan High School in Duplin County, as a 2020–2021 Kenan Fellow. Erica spent three weeks over summer break learning about the cooperative model and in return developed a classroom project that was implemented in 2021.

MANAGER'S MESSAGE

On November 13, 2021, Tri-County EMC will host its 81st Annual Meeting of the Members. Last year, with the COVID-19 pandemic, the Board of Directors made the decision to host a drive-thru annual meeting. With the success of last year, and with the ongoing pandemic, our annual meeting will again be a drive-thru meeting. Just as last year, I will miss the physical interaction with the membership, but this new format allows the opportunity for members to participate from the safety of their vehicles.



Tri-County Delivers Value to its Membership

Our cooperative is now valued at almost \$97 million, with almost \$76.5 million of that invested in plant facilities to serve the members. At the end of August 2021, member equity or ownership totaled \$35,593,680, or approximately 36.73 percent of total assets. Approximately 67.8 cents of each revenue dollar collected by the cooperative in 2020 was used to pay the wholesale power bill of over \$39 million.

There are many differences between the cooperative business model and the for-profit model. The cooperative has very high ethical standards. We are governed by a board ethics policy, and the cooperative is not motivated by profit. All the profits or margins earned by the cooperative are returned to the members. In that spirit, the Tri County Board of Directors has recently approved a capital credit refund of \$1,633,937.65, representing the balance of the margins of 2005 and 25 percent of 2020.

As a member of the cooperative, you have many advantages that come with your membership. Our business model sets us apart from other utilities because we adhere to seven guiding cooperative principles that reflect core values of honesty, transparency, equity, inclusiveness, and service to the greater good of the community. We provide good value for money, provide reliable service using state-of-the-art technology, high-quality customer service, invest and contribute to the communities we serve, good stewards of the environment and maintain knowledgeable and competent employees.

Our mission statement reiterates that Tri County Electric Membership Corporation is a member-driven cooperative committed to providing reliable electric power at a reasonable cost, to offering superior service, and to taking an active role in supporting the communities it serves.

A Good Value for the Money

Tri County has the lowest basic facility charge in the state at \$8.98 with the median being at \$25 per month. There are two in our state with a \$35 monthly facility charge.

Community Driven

Through the unique and unexpected challenges of 2020, our focus and commitment to our community continues to be sustained. Despite canceling our scholarship golf tournament fundraiser due to COVID-19, Tri-County still awarded over \$26,000 to students in our service area. We also awarded over \$62,000 in grant funding to local educators in support of creative projects that impacted students in Duplin, Lenoir and Wayne counties through our Bright Ideas program. We serve our community, not only by being an essential service, but by helping to power our local economy.

Many of our employees are volunteers with the local fire departments, serve as officers with their children's PTA, support fundraisers and volunteer with the Ronald McDonald House of Eastern North Carolina, Kitty Askins Hospice Center, American Cancer Society, and the list goes on.

I think you'll find that most cooperatives bring good people together to make good things happen in the community. It's been a pleasure to serve you and lead a dynamic organization powered by the best of the best in our industry. On behalf of everyone at Tri-County EMC, we're thankful for your membership. See you at the Annual Meeting!

J. Michael Davis
General Manager

MANAGER'S REPORT TO MEMBERS

Maintaining good health should be a priority every day. BUT a new sense of urgency struck our world when terms "public health crisis", "social distancing", "quarantine", "6 feet apart" and "stay at home order" became every day expressions. We quickly saw how things changed; however, our commitment to our communities and members remained the same. Regardless of the challenges we faced in 2020, our co-op kept the power flowing.

A new norm was established at the cooperative. We relocated work areas for employees, acquired sanitizing and disinfectant supplies, closed our office lobby and implemented CDC recommendations to create a healthy and safe working environment.

It came as no surprise, our employees stepped up to meet the challenge for our members seamlessly, and we could not be more proud of our cooperative team. As COVID-19 impacted many local businesses in the Tri-County EMC area, we are pleased to report that in spite of the global pandemic, we experienced strong business growth overall.

Tri-County EMC quickly responded to the sudden financial loss many individuals and families experienced as well. During a time of anxiety for so many, the last thing we wanted was for our members to carry the additional worry of incurring extra fees or having their electrical service disconnected. From March 2020 through July 2020, the cooperative suspended disconnects and waived all fees associated with non-payments. We also adjusted our payment arrangement policy and continued working with our members according to individual needs and circumstances into 2021.

In 2020, we surveyed members on their satisfaction with the cooperative. The American Customer Satisfaction Index gave the cooperative a score of 89, meaning overall satisfaction with the cooperative is excellent. We understand the cooperative would not exist without your support. Your high expectations, combined with feedback and suggestions from our members, help us provide you with exceptional service. Please know we welcome your thoughts and opinions about the cooperative. Sharing your opinion helps Tri-County EMC serve you better.

In 2020, we also installed an electric vehicle charging station at our office to encourage the increased adoption of electric vehicles. The Information Technology Department increased our Cybersecurity Stance by introducing all employees to Cybersecurity Awareness and Phishing training along with implementing Multifactor Authentication(MFA) in our efforts to harden our position in this ongoing war. Internal policies were redesigned to increase

resistance to access and create reliable sustainability in the fight against Cyber Crime. We continue to make extra efforts to mitigate known vulnerabilities, seek out issues, adapt to changing workforce needs and value and protect member's data.

As new emerging technologies arise, we use all efforts and resources to provide the best protection available to ensure that we may continue to provide the good service for our members that they have enjoyed for years.

On the electric side, our line inspections and maintenance routines were continued without interruption, as these are an essential part of delivering dependable service to our members. Reliability isn't something that happens by chance. Throughout the year, the cooperative's outside crews worked extensively on maintenance and upkeep. These activities directly enhance the reliability and efficiency of our system. In 2020:

368 New Services Installed

1,079 Jobs Staked & Built

4,800 Poles Inspected

433 Poles Replaced

800 Miles of Trees Trimmed and/or Sprayed

180 New Transformers Installed

249 New Security Lights Installed

1,141 Security Lights switched to LED

37.2 Miles of Line Built

We are constantly preparing for things we can control on our system, such as planned and routine maintenance outages; and for unexpected outages that are often beyond our control. We set high goals for the reliability and accessibility of the power we provide to you. After all, it is our mission to provide you with reliable electric power at an affordable cost. In 2020, co-op members were without power for an average of **150.4** minutes and an average service reliability of **99.7%**.

Having been through this unprecedented journey, it was our mission to power through 2020 because we know you count on your electric cooperative. Looking ahead, we are planning for your future needs we look forward to 2021 with confidence and know we're stronger now because of 2020. Thank you for your membership and continued trust in Tri-County Electric Membership Corporation.

Throughout the year, the cooperative's right-of-way crew works extensively on maintenance and upkeep.



*Our mission is to not
only to deliver reliable
electric service
at an affordable price,
but to also
go beyond the lines to
provide additional
opportunities that
fulfill the cooperative
principles.*

FINANCIALS

Balance Sheets October 31, 2020 and 2019	2020	2019
ASSETS		
Utility Plant		
Electric Plant in service—at cost	\$ 117,860,002	\$ 112,791,269
Construction work in progress	1,323,314	3,198,776
	<u>119,183,316</u>	<u>115,990,045</u>
Less: accumulated provision for depreciation and amortization	(44,600,504)	(42,441,518)
Total Utility Plant (Net)	74,582,812	73,548,527
Other Property and Investments:		
Notes receivable	3,386,457	4,492,033
Investments in associated organizations	2,975,667	2,956,363
Total Other Property and Investments (at cost)	6,362,124	7,448,396
Current and Accrued Assets		
Cash and cash equivalents	4,082,938	4,384,899
Restricted Cash—USDA	329,698	191,523
Accounts receivable—trade (less provisions for doubtful accounts of (\$714,273 in 2020 and \$804,828 in 2019))	5,631,645	5,078,331
Accounts receivable—other	360,642	586,293
Materials and supplies (at average cost)	459,898	419,861
Merchandising inventory (at cost)	0	8,526
Prepaid assets	246,056	363,105
Total Current and Accrued Assets	11,110,877	11,032,538
Deferred Charges	46,922	43,788
Total Assets	\$ 92,102,735	\$ 92,073,249
EQUITIES and LIABILITIES		
Equities and Margins:		
Memberships	\$ 99,755	\$ 98,900
Patronage capital	30,457,619	29,013,943
Total Equities and Margins	30,557,374	29,112,843
Non-Current Obligations:		
RUS FFB notes	30,738,172	31,516,986
RUS Cushion of Credits (unapplied payments)	(979,016)	(1,801,183)
NRUCFC mortgage notes	3,582,154	4,007,946
CoBank mortgage notes	11,471,969	12,410,111
NCEMC Economic Development Loan	236,333	302,333
Note payable - USDA - REDL Loan	2,256,327	1,912,069
Note payable - USDA - REDG Grants	1,018,767	418,767
Accumulated provision of pensions & benefits	7,560,996	7,582,555
Less: current maturities—mortgages	(2,497,359)	(2,358,305)
current maturities—accumulated pensions & benefits	(246,348)	(270,200)
Total Non-Current Obligations	53,141,995	53,721,079
Current Liabilities:		
Current maturities of long-term debt	2,743,707	2,628,505
Accounts payable	2,984,530	3,506,464
Consumers' deposits	1,563,651	1,815,056
Other current and accrued liabilities	1,095,402	993,879
Total Current Liabilities	8,387,290	8,943,904
Deferred Credits	16,076	295,423
Total Liabilities, Equities and Margins	\$ 92,102,735	\$ 92,073,249

STATEMENTS OF REVENUE AND PATRONAGE CAPITAL

For the Years Ended October 31, 2020 and 2019

	2020	2019
Operating Revenues	\$ 57,486,951	\$ 56,952,610
Operating Expenses:		
Transmission expense	18,335	20,050
Cost of power	39,641,345	41,958,021
Distribution—operation	1,712,147	1,750,203
Distribution—maintenance	3,242,850	3,030,441
Consumer accounts	2,093,998	1,959,450
Customer service and informational	675,433	682,172
Administrative and general	2,151,581	2,540,454
Depreciation and amortization	3,380,650	3,294,255
Total Operating Expenses	<u>52,916,339</u>	<u>55,235,046</u>
Operating Margins Before Fixed Charges	4,570,612	1,717,564
Fixed Charges		
Interest on long-term debt	<u>1,681,084</u>	<u>1,752,416</u>
Net Operating Margins	2,889,528	(34,852)
Non-Operating Margins:		
Interest income	153,197	289,391
Patronage capital—received from associated organizations	397,863	313,867
Non-operating margins—other	<u>(4,770)</u>	<u>(287)</u>
Total Non-Operating Margins	<u>546,290</u>	<u>602,971</u>
Net Margins for Period	3,435,818	568,119
Patronage Capital — Beginning of Year	29,013,943	32,068,228
ASC 715—defined benefit plan	333,643	(619,427)
Gain (loss) from equity investment	0	(67,298)
Retirement of capital credits	<u>(2,325,785)</u>	<u>(2,935,679)</u>
Patronage Capital — End of Year	<u>\$ 30,457,619</u>	<u>\$ 29,013,943</u>



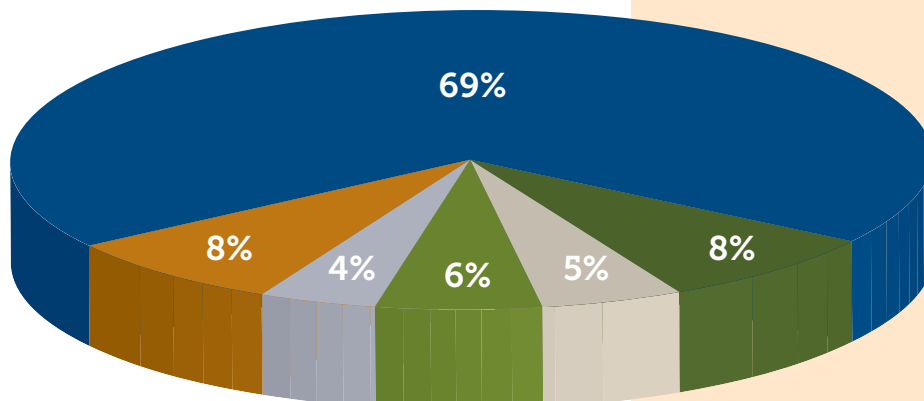
Northwest Elementary received \$500 from Tri-County EMC for having the greatest number of Bright Idea Grant winners in 2020.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

Operating Costs as a Percentage of Operating Revenues

Year Ended October 31, 2020

- Cost of Power 69%
- Operating Margin 8%
- Consumer Accounts and Customer Service 5%
- Depreciation and Amortization 6%
- Administrative and General 4%
- Distribution—Operation and Maintenance 8%



COMMITTED EMPLOYEES SERVING YOU

46 YEARS

J. Michael Davis,
GENERAL MANAGER

32 YEARS

Pete Jones,
SERVICEMAN

31 YEARS

Tony Grantham,
MANAGER OF
ENGINEERING

Ronald Outlaw,
EQUIPMENT OPERATOR

29 YEARS

Jeff Kennedy,
WORKING FOREMAN

Denise Simmons,
BILLING SPECIALIST

28 YEARS

Ken Davis,
MANAGER OF FINANCE
AND ADMINISTRATION

27 YEARS

Sean Sullivan,
MEMBER SERVICES
REPRESENTATIVE

26 YEARS

Leonard Person,
RIGHT-OF-WAY FOREMAN

**Kenneth
Willoughby,**
TREE TRIMMER

24 YEARS

**William "BJ"
Jones,**
EQUIPMENT OPERATOR

23 YEARS

**Anthony
Denning,**
WORKING FOREMAN

22 YEARS

Bill Fischer,
WORKING FOREMAN

20 YEARS

Bob Kornegay,
MANAGER OF MEMBER
SERVICES

18 YEARS

Andy Beavers,
LINEMAN

Paula Davis,
MEMBER SERVICES
REPRESENTATIVE/
CASHIER

Brad Thigpen,
TREE TRIMMER

Jeremy Whitfield,
PURCHASING AGENT/
WAREHOUSEMAN

16 YEARS

Todd Harrell,
LINEMAN

Ron Miller,
STAKING FIELD
ENGINEERING
TECHNICIAN

15 YEARS

Jerry Mozingo,
LINEMAN

14 YEARS

David Thornton,
SYSTEM ENGINEER

13 YEARS

Daniel Hood,
WORKING FOREMAN

Ralph Kelly,
LINEMAN

Ricky Richardson,
LINEMAN

12 YEARS

Jo Brown,
ACCOUNTANT

10 YEARS

Mike Wood,
MANAGER OF OPERATIONS

Angela Anderson,
CALL CENTER

Aaron Barwick,
LINEMAN

Taylor Coates,
SERVICEMAN

Lucinda Newell,
CALL CENTER

8 YEARS

John Cozine,
LINEMAN

7 YEARS

Brian Hope,
TREE TRIMMER

Steve Mason,
MEMBER SERVICES
REPRESENTATIVE

Charles Pate,
WAREHOUSEMAN

6 YEARS

Donna Hill,
MEMBER SERVICES
REPRESENTATIVE/
CASHIER

**Kourtney
Humphrey,**
MEMBER SERVICES
REPRESENTATIVE/
CASHIER

5 YEARS

Deidra Grantham,
MANAGER OF MARKETING
AND COMMUNICATIONS

4 YEARS

Dwayne Skinner,
APPRENTICE LINEMAN

Timothy Wolfe,
LINEMAN

3 YEARS

Barbara Birkin,
MEMBER SERVICES
REPRESENTATIVE/
CASHIER

Tamah Hughes,
MANAGER OF
INFORMATION
TECHNOLOGY

Lynn Peterson,
CALL CENTER

2 YEARS

Marlin Painter,
CALL CENTER

1 YEAR

**Jarred
Pennington,**
APPRENTICE TREE
TRIMMER

Lance Wise,
APPRENTICE LINEMAN

Landon Stroud,
APPRENTICE LINEMAN

Seth Johnson,
APPRENTICE LINEMAN

*48 dedicated
employees
committed to
serving you.*



BOARD OF DIRECTORS



President
Carl Kornegay Jr.
 DISTRICT 1—
 DUPLIN COUNTY



Vice President
Jennings Outlaw
 DISTRICT 1—
 DUPLIN COUNTY



Secretary
William H. Farmer
 DISTRICT 2—
 WAYNE COUNTY



Treasurer
David Vinson
 DISTRICT 2—
 WAYNE COUNTY



Keith Beavers
 DISTRICT 1—
 DUPLIN COUNTY



Scott Ballard
 DISTRICT 1—
 DUPLIN COUNTY



Jeff Henderson
 DISTRICT 2—
 WAYNE COUNTY



Patrick Lynch
 DISTRICT 3—
 LENOIR COUNTY



Randy McCullen
 DISTRICT 2—
 WAYNE COUNTY



Worth Overman Jr.
 DISTRICT 2—
 WAYNE COUNTY



Brandy S. Rouse
 DISTRICT 3—
 LENOIR COUNTY

Tri-County EMC is a member-owned, not-for-profit electric cooperative. We provide electricity to 25,765 members in portions of Duplin, Johnston, Jones, Lenoir, Sampson, Wayne and Wilson counties.

7,886
 Duplin

378
 Johnston

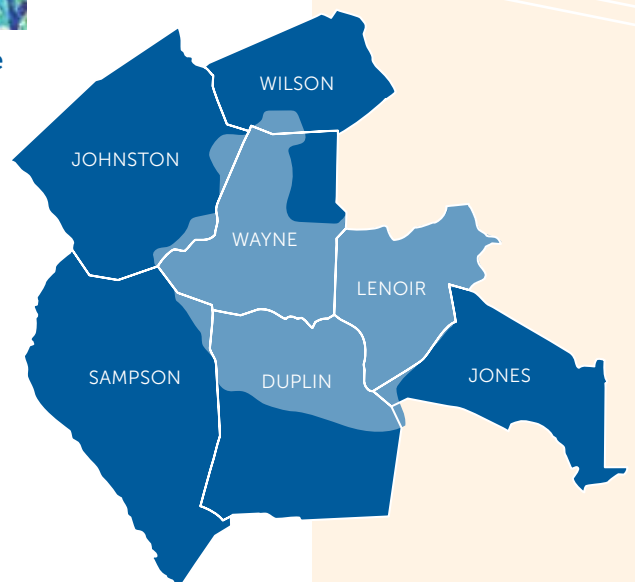
49
 Jones

3,173
 Lenoir

26
 Sampson

14,152
 Wayne

101
 Wilson



OPERATION ROUND UP: SMALL CHANGE MAKES A BIG DIFFERENCE

It's only small change, 1 cent to 99 cents per month, but when you multiply that by the thousands who participate in Operation Round Up, it makes a big difference! Since Operation Round Up began 20 years ago, \$2,198,048.43 has been given back to individuals and organizations through Operation Roundup.

WHAT IS OPERATION ROUND UP?

Through the year, your pennies raise thousands of dollars to local organizations and individuals in our community who need a hand up, not a hand out. Approximately 95 percent of Tri-County EMC members contribute to the fund by rounding up their monthly bill to the nearest dollar. Did you know that all fire departments in our service area have received grants from Operation Round Up? Thank you to those who make a contribution. If you would like to join, please let us know! The average annual contribution is only \$6 per year.

Your contribution can:

- buy food for families in need
- help with medical emergencies
- necessities for local fire departments

The program's success relies on member's support and the dedication of nine board members. The board members primary duty is to evaluate applications quarterly and determine how to best distribute funds. We thank our board members for the dedication and time to Operation Round Up!

OPERATION ROUND UP BOARD MEMBERS

Linda Hines,
President
LA GRANGE, NC

Cynthia Potter
MOUNT OLIVE, NC

Kelvin Coates,
Vice President
MOUNT OLIVE, NC

Ruby Andres Mojica
PINK HILL, NC

Jack Kornegay,
Treasurer
MOUNT OLIVE, NC

Dawn Stroud
KINSTON, NC

Nancy Smith,
Secretary
ALBERTSON, NC

Kathy Creech
PINK HILL, NC

Cheryl J. Oaten
DUDLEY, NC

FINANCIAL STATEMENT

Beginning Balance (1/1/20) \$69,309.99	Checks Issued/Fees \$151,466.33
2020 Member Deposits \$134,440.99	Balance (12/31/20) \$52,284.64



2020 AT A GLANCE

 2,652 Total miles of lines

 189,572 Calls answered

 1,327 KWH Average monthly residential usage

 535,517,482 Total KWH sold

 99.97% Average service reliability

 1.8 million Capital Credits returned to members

 \$26,650 Scholarships awarded to local students

 \$62,483.34 Grants funded to Bright Ideas Projects

 \$151,239.78 Given from Operation RoundUp

 704,455 Continuous hours TCEMC Employees worked without a lost-time injury

 8,064 Facebook likes

 49 TCEMC employees