



# 2018 ANNUAL REPORT



**F**or 79 years, Tri-County EMC has provided safe, reliable and affordable energy to you — our members, owners and neighbors. The power of cooperative members working together brought light to the darkness of rural central Georgia. That cooperative spirit brought economic development and enhanced quality of life, just as it does today.

As we reflect on the previous year, we report to you a statistical snapshot of the financial status of your cooperative. We also sit down with two of Tri-County EMC’s leaders, our board chair Brenda P. Green and our chief executive officer Ray Grinberg, to ask questions about their thoughts on what has happened in the past year and where the cooperative is headed in the future.

## How would you describe the past year?

**BRENDA:** The board and I are happy with the direction of Tri-County EMC. We’re proud of how our employees responded to Tropical Storm Irma and to the numerous thunderstorms this summer. They’ve risen to the challenge of “keeping the lights on,” and they have done so while working safely. The distribution system is in good shape, and we are in good financial shape.

**RAY:** After two years here as CEO, I am now feeling much more at home. I have a better feel for our communities, our employees and our board. This last year we focused on internal things — projects and long-term goals — rather than reacting to issues... like the tropical storm in 2017.

## What were the biggest challenges in the past year?

**BRENDA:** As we’ve seen interest rates began to rise, we took steps to restructure some of our debt to minimize our long-term interest costs.

**RAY:** Managing our right-of-way has been a big challenge this year. The weather has been perfect for allowing trees and brush to grow. We’ve added crews to help keep pace with this year’s conditions.

## What projects are Tri-County EMC’s employees focusing on currently?

**RAY:** We are continuing to look at ways to meet our members’ ever-changing needs. We are using feedback from our member surveys to find out how you want to do business with us. Knowing that our members rate us highly, with an 86% satisfaction rating, is good, but we need to learn where our members expect us to do better. We want to make it easier for you to pay your bill, find out the status of an outage or get information about ways to be more energy efficient. We are continuing to add more system automation in the field, allowing us to quickly locate the cause of an outage and minimize the number of members affected by the outage.

## What is Tri-County’s Board of Directors focusing on currently?

**BRENDA:** We are getting ready for this year’s strategic planning with management. Here, we look at the future needs of our members. It’s a collaborative effort between the board and senior staff. Maintaining a healthy financial position, keeping a stable and well-trained workforce and ensuring our distribution system is providing reliable electric service at the lowest possible cost are the board’s focus. Also, CyberSecurity — keeping our assets and data safe. We will continue to be vigilant on that issue as well.



**Ray Grinberg**  
CEO

**Brenda P. Green**  
Chairman

## What are you most proud of from the past year?

**BRENDA:** I am always proud of our employees. We recently received a safety accreditation award, and that award is achieved by the efforts of all employees through teamwork. Safety is first in our minds, and we always want them to return home safely to their families each and every day.

**RAY:** The employees of Tri-County EMC who are dedicated to the communities they work and live in. They volunteer and participate in their communities to improve the quality of life for all. Keeping the lights on is just a small part of what makes them great.

## Using your crystal ball, what do you see on the horizon?

**RAY:** We are constantly balancing our cooperative traditions, while planning for the cooperative of tomorrow. And there will be some big changes that benefit our members. We will see more automated power delivery, reducing outages and outage time. How we generate power will continue to evolve. We will add more renewable and carbon-free energy as it makes financial sense. Utility scale solar continues to be the best answer for renewable energy. And I think you will see a substantial increase in the number of electric vehicles on the road. Watch for some new programs from us in the very near future to help our members learn about and embrace that rapidly changing technology.

## What are the cooperative's biggest challenges for the future?

**RAY:** The 2017 decision to continue the construction of the new units at Plant Vogtle was difficult to make. Now that increased construction costs have surfaced again in 2018, we are carefully analyzing that situation and need to make the best choices for our membership. Ensuring a clean, reliable, long-term power supply for our members and the rest of Georgia is important, but it will have an impact on rates when the units are completed. Management and the board are working to make sure Tri-County EMC is in good financial shape so that we can keep any needed rate increase as small as possible.

**BRENDA:** A couple of thoughts come to mind. What will our members' demand for electricity be in the future, and how will their usage patterns change over time? Our members are becoming more savvy in managing their usage through technology. How is this going to change our picture at Tri-County? Will electric vehicles be more prevalent? Also, statistics show a decline

in population in rural areas, so how will that affect us? And the completion of the two new units at Plant Vogtle within the next five years. What will be the final impact on our members' rates? We will stay on top of these issues as they evolve and will be prepared to meet the challenges.

## If you could say one thing to every cooperative member, what would it be?

**RAY:** Our number one priority is the member. We constantly ask if our decisions are in the best interest of the cooperative and its members. Will it benefit today's members and tomorrow's? Our business is long-term. We are building our system to meet the needs of today as well as the needs 40 years down the road. Our goal is to do the right thing, and it takes a team of caring and dedicated employees to do so.

**BRENDA:** Tri-County EMC is committed to being your trusted energy provider. We will continue to be good stewards of your business and will not forget that we are member-owned and exist for the sole purpose of serving their electric needs.

“Our goal is to do the right thing, and it takes a team of caring and dedicated employees to do so.”

-Ray Grinberg, CEO



**YEAR  
IN  
REVIEW**



**21,405**

TOTAL METERS

**2,763**

MILES OF LINE

**\$74,923**

in Operation Roundup  
Grants Awarded to  
local non-profit groups

**7.75**

METERS PER  
MILE OF LINE

**61**

EMPLOYEES

**\$500,024**

IN 2017 CAPITAL CREDIT REFUNDS

**352,733,285**

kWhs USED

**\$10K**

in scholarships given  
to local students

**\$30K**

in Bright Ideas  
Grants awarded to  
teachers

# FINANCIAL SUMMMARY

## STATEMENT OF OPERATIONS (for the year ended April 30)

	2018	2017
Operating Revenue and Capital	\$ 44,079,407	\$ 39,949,628
Operating Expense		
Cost of Power Purchased	26,739,407	25,927,669
Operating the Electric System	8,321,937	7,937,954
Depreciation	3,791,289	3,641,015
Interest on Loans	3,314,518	3,254,950
Total Cost of Electric Service	42,167,151	40,761,588
Non-Operating Margins	771,287	723,332
G&T Capital Credits	668,117	680,396
Other Capital Credits	128,064	94,823
Total Patronage Capital or Margins	\$ 3,479,724	\$ 686,591

## BALANCE SHEET (as of April 30)

	2018	2017
Total Utility Plant	\$ 124,926,644	\$ 121,024,362
Less Depreciation	26,813,426	25,969,533
Net Utility Plant Book Value	98,113,218	95,054,829
Investments in Associated Organizations	15,413,243	14,713,451
Non-Utility Property	250,094	260,799
Cash and Reserves	854,855	560,896
Owed to EMC on Account and Notes	1,493,255	1,290,133
Material in Inventory	205,786	215,494
Expenses Paid in Advance	25,778	22,969
Deferred Debits and Other Assets	2,024,752	1,236,158
Total Assets	\$ 118,380,981	\$ 113,354,729
Equities and Liabilities		
Consumer Deposits	\$ 862,810	\$ 843,265
Membership, Patronage Capital, Other Equities	44,529,551	41,664,570
Long-term Debt	62,440,293	59,108,456
Notes and Accounts Payable	8,766,321	10,275,004
Other Current and Accrued Liabilities	1,782,006	1,463,434
Total Equities and Liabilities	\$ 118,380,981	\$ 113,354,729

Tri-County EMC is audited by the independent accounting firm of McNair, McLemore, Middlebrooks & Co., LLC. A complete financial statement may be obtained by calling (478) 986-8108 or 1-866-254-8100, ext. 8108.



## TRI-COUNTY EMC BOARD OF DIRECTORS

(listed left to right)

Back Row: Marion Nelson, Sammy Hall: Vice-Chairman, Chester Mercer, Cecil Patterson

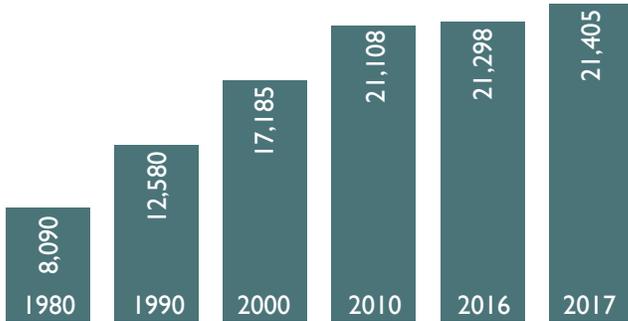
Middle Row: George "Buck" Comer, Brenda P. Green: Chairman, Mike Rainey

Front Row: Tommy Noles: Secretary/Treasurer, Dan Greene

1980 - TODAY

# STATISTICAL SNAPSHOT

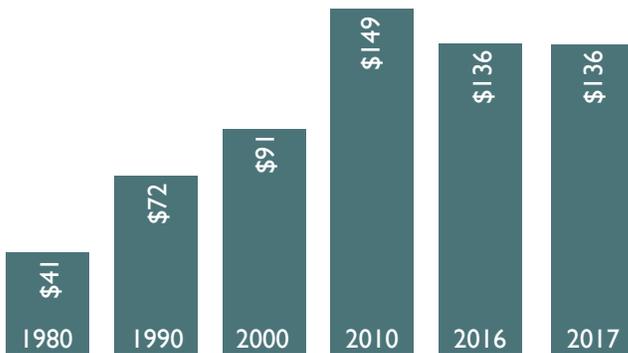
## TOTAL NUMBER OF ACCOUNTS



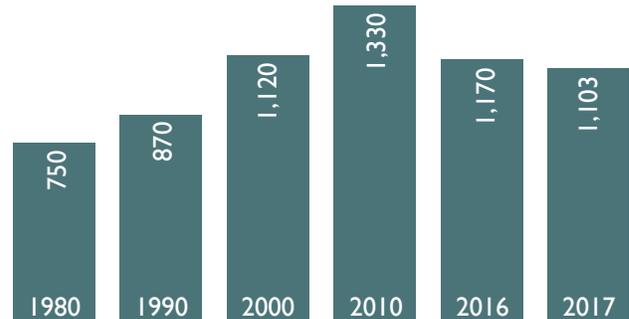
## WHERE YOUR ENERGY DOLLAR GOES



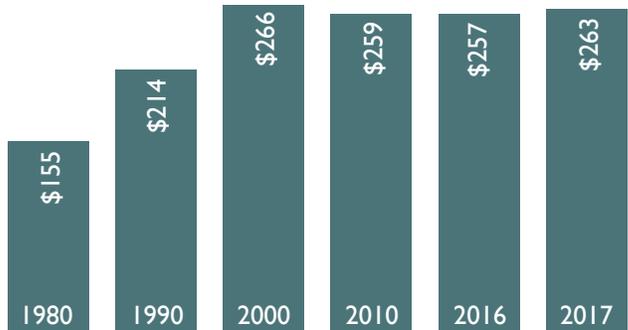
## AVERAGE MONTHLY RESIDENTIAL BILL



## AVERAGE MONTHLY RESIDENTIAL KWH USE



## AVERAGE MONTHLY COMMERCIAL BILL



## AVERAGE MONTHLY COMMERCIAL KWH USE



### TRI-COUNTY EMC SENIOR STAFF

Ray Grinberg | CEO  
 Keith Brooks | VP of Operations  
 Sarah Curry | HR Administrator

Dawn Haskins | Chief Financial Officer  
 Lee Marsh | VP of Engineering  
 Greg Mullis | VP of Corporate Services