



September 2021

Proudly serving the members of Albemarle Electric Membership Corporation

Albemarle Sounds

is published monthly by
**Albemarle Electric Membership
Corporation**

Your Touchstone Energy® Cooperative 
The power of human connections®

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*Albemarle EMC is an equal opportunity
provider and employer.*



Albemarle EMC Annual Report

You are hereby notified that the 2021 Albemarle EMC Annual Meeting will be held by phone at 7 p.m., Thursday, Sept. 30. To join the meeting, dial 800-773-5134. Members can call in 10 to 15 minutes prior to the start of the meeting. Members will be asked for the name on their power bill and their city. The number is also listed on the ballot that was mailed to your residence in August.

The following is an agenda of schedule of business:

- 1. Announcement of directors elected to each serve a three-year term.**
- 2. Announcement of prize winners.**
- 3. For the transaction of such other and further business as may come before said meeting or any adjournments thereof.**

This year's board elections will be conducted by mail-in ballot. Ballots and bios were mailed to each member in early to mid August. Information about the nominees is also available on the following page. Members should select

one candidate per district. There are three district positions open for election. The ballot should then be mailed in using the pre-addressed, postage-paid envelope provided. The ballots must be received by mail no later than Sept. 27, 2021. Each ballot has a barcode of the member's account number. The barcode will enable the ballots to be authenticated. After the deadline, the ballots will be kept in a secure location until it's time for them to be counted. The ballots will be counted by the Credentials and Elections Committee, with the co-op's attorney present.

Every member who mails in a completed ballot by the deadline will be eligible for cash drawings. A total of \$3,000 in prizes will be drawn. Winners will be announced during the Annual Meeting. However, members do not need to participate in the phone meeting to be eligible to win. We will notify the members whose names were drawn.



Albemarle EMC will
be closed Monday,
Sept. 6 for Labor Day.

**\$3,000 in prize money will be
drawn! Simply mail in your
completed ballot before the
deadline to be entered.**



Educators have until
Sept. 15 to apply for a
Bright Ideas grant by
visiting
www.ncbrightideas.com.

2021 Director Nominees

Glenn Carey District 1 (Camden County)



- AEMC board member since 1988
- Retired Farmer
- Member, Masonic Lodge 314

John Spence District 3 (Pasquotank County)



- AEMC board member since 1991
- Current AEMC board president
- Graduate, UNC at Chapel Hill, Credentialed Cooperative Director, Board Leadership Certificate, Director Gold Certificate
- Charter Member of the Pasquotank-Newland Volunteer Fire Department
- Fire chief for nine years, retired
- Tarheel Electric Membership Association, Inc. Executive Committee vice president
- Current secretary of Newland Water Management District Advisory Board
- Board member First Citizens Bank (Elizabeth City)

Virgie Whitehurst District 5 (All Counties)



- AEMC board member since 1988
- Current AEMC board treasurer
- Retired 30-year public school teacher
- Retired pastor of AME Zion Church
- Graduate: Elizabeth City State University — B.S., NC State University — M.S.
- Past board memberships: Economic Improvement Council, vice chairman; appointed by Gov. Michael Easley to N.C. Licensed Prof. Counselors, treasurer
- NRECA Director Certifications: Credentialed Cooperative Director, Board Leadership Certificate, Director Gold Certificate

Executive Report



The past year has been both challenging and rewarding for your cooperative. We have done our best to strike a balance between safety and service, as we have navigated our way through COVID-19. For 2021, we have again decided to hold a remote Annual Meeting. Each of you will still be able to participate in the Annual Meeting process. Ballots will be mailed to you that can be filled out and mailed back to us. Also an Annual Meeting conference call will be held at 7 p.m., Thursday, Sept. 30, during which the annual business meeting will be conducted.

Despite our cautious posture, we have remained proactive. We decided to cancel our 2020 Light Up Christmas Golf Tournament. However, we were still able to purchase toys for more than 500 less-fortunate children, thanks to the generosity of several businesses and sister cooperatives that contributed to the toy drive. We can't thank them enough.

We have hired several linemen apprentices during the past year. To assist them, we constructed a training power line behind our office that provides realistic work scenarios, but in a non-energized, safe environment.

I was very proud of our employees' response to Hurricane Isaias, which knocked out power to about 4,000 members. Power was restored to all members the same day. We were also able to send five linemen to Alabama to help Baldwin EMC recover from damages caused by Hurricane Sally.

We celebrated another lost-time accident record. As I write this, we are closing in on 3,000 days without an injury severe enough to cause an employee to miss work. This is an achievement that takes tremendous teamwork and focus. I could not be prouder.

To delay the need for the next rate increase as long as possible, we launched our Beat the Peak program. Members are alerted by text message when a peak time period of high energy use across our co-op is expected. Members are asked to lower their energy use during those peak times. Lowering the co-op's peak energy use puts downward pressure on your co-op's wholesale power costs, which translates to lower rates.

We were able to bring the West Albemarle Substation online, which will significantly increase capacity for much of Chowan County. The substation is a transmission facility that feeds the existing Edenton Substation and will eventually feed the future Bethel Substation.

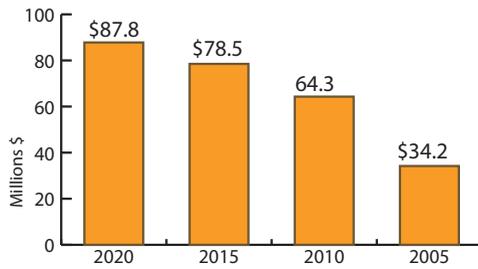
The co-op's website was redesigned to provide members visiting the site with a better experience. The home page now displays more timely information. The entire site is fully functional and responsive on all devices. In addition, the site is TTY compliant. People who are visually impaired are now able to interact with the website, using screen readers.

This year we, again, were able to retire a record-breaking amount of capital credits, \$610,80.05! Capital credits are year-end margins earned by your cooperative. The margins are allocated back to the members, based on their power usage.

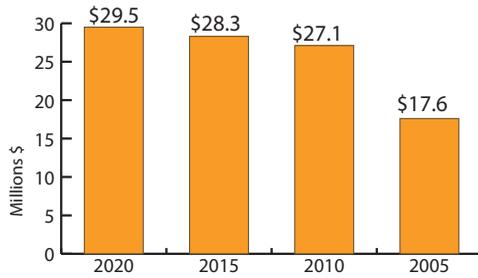
I would like to thank you for your continued patience and understanding, as we adapt our business practices to serve you in these unprecedented times.

Gary Ray
Executive Vice President and General Manager

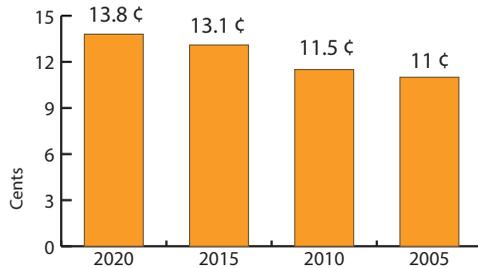
Total Assets



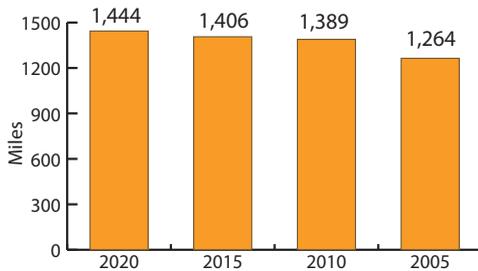
Electricity Sales



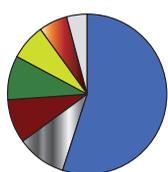
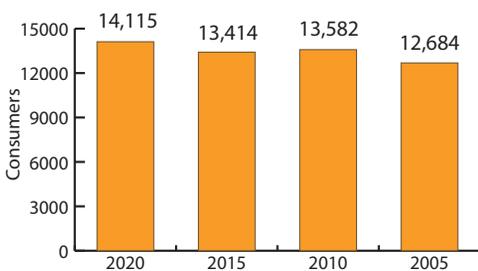
Average Rate Per KWH Sold



Miles of Energized Line



Number of Consumers



| | |
|-------------------------------|-----|
| Consumer Accts., Serv & Info. | 4% |
| Interest and Taxes | 6% |
| Gen. and Admin Expenses | 7% |
| Depreciation | 9% |
| Operations and Maintenance | 9% |
| Operating Margins | 10% |
| Cost of Power | 55% |

Balance Sheet - Assets

| | 2020 | 2019 |
|--|----------------------|----------------------|
| Utility Plant | | |
| Electric plant in service | \$ 94,684,040 | \$ 92,440,310 |
| Construction work in progress | 6,522,582 | 2,693,673 |
| Gross Utility Plant | 101,206,622 | 95,133,983 |
| Less Accumulated Provision for Depreciation | (27,415,678) | (25,494,638) |
| Net Utility Plant | 73,790,944 | 69,639,345 |
| Other Property and Investments | | |
| Investments in associated organizations | 6,462,174 | 5,922,669 |
| Note receivable | - | - |
| Other | 307,978 | 324,579 |
| Total Other Property and Investments | 6,770,152 | 6,247,248 |
| Current Assets | | |
| Cash and cash equivalents | 1,881,656 | 1,579,191 |
| Accounts receivable, (net of provision for uncollectible accounts of \$157,465 and \$159,507 in 2020 and 2019, Respectively) | 3,211,752 | 3,086,754 |
| Accrued utility revenues | 809,681 | 675,904 |
| Materials and supplies | 954,423 | 2,432,121 |
| Other current assets | 149,251 | 116,577 |
| Total Current Assets | 7,006,763 | 7,890,547 |
| Deferred Debits | 225,935 | 398,454 |
| Total Assets | \$ 87,793,794 | \$ 84,175,594 |

Balance Sheet - Equities and Liabilities

| | | |
|--|----------------------|----------------------|
| Equities | | |
| Membership fees | \$ 29,140 | \$ 30,555 |
| Patronage capital | 34,385,081 | 32,133,387 |
| Accumulated Other Comprehensive Income | 339,942 | 157,363 |
| Other equities | 1,887,279 | 1,680,275 |
| Total Equities | 36,641,442 | 34,001,580 |
| Long-Term Debt | 40,844,336 | 39,596,561 |
| Post retirement Healthcare Benefits | 2,878,194 | 2,922,945 |
| Current Liabilities | | |
| Note Payable | | |
| Current portion of long-term debt and post retirement benefits | 732,037 | - |
| Line-of-credit | 2,025,751 | 1,921,776 |
| Accounts payable | 1,964,681 | 2,083,079 |
| Accounts payable - Members | 203,370 | 357,395 |
| Consumer deposits | 1,079,425 | 1,052,553 |
| Accrued & withheld taxes | 87,598 | 93,552 |
| Other current liabilities | 602,754 | 967,613 |
| Total Current Liabilities | 6,695,616 | 6,475,968 |
| Deferred Credits | 734,206 | 1,177,540 |
| Total Equities and Liabilities | \$ 87,793,794 | \$ 84,174,594 |

Statement of Operations and Patronage Capital

| | 2020 | 2019 |
|--|----------------------|----------------------|
| Operating Revenues | \$ 29,454,333 | \$ 30,492,670 |
| Operating Expenses | | |
| Cost of power | 16,840,786 | 16,928,218 |
| Transmission | 91 | 84 |
| Distribution-operation | 1,449,542 | 1,348,883 |
| Distribution-maintenance | 1,258,076 | 1,253,094 |
| Consumer accounts | 917,462 | 960,578 |
| Customer service, information and sales | 106,272 | 92,718 |
| Administrative and general | 2,129,664 | 2,254,689 |
| Depreciation | 2,722,197 | 2,698,503 |
| Taxes | 19,156 | 13,334 |
| Interest on long-term debt | 1,693,333 | 1,737,309 |
| Other | 31,686 | 37,999 |
| Total Operating Expenses | 27,168,265 | 27,325,409 |
| Operating Margins | 2,286,066 | 3,167,261 |
| Non-Operating Margins | 171,490 | 256,925 |
| Generation & Transmission and Other Patronage Allocations | 704,638 | 732,465 |
| Net Margins | 3,162,194 | 4,156,651 |
| Patronage Capital-Beginning of Year | 32,133,387 | 28,832,787 |
| Retirement of Capital Credits | (910,497) | (856,052) |
| Patronage Capital-End of Year | \$ 34,385,084 | \$ 32,133,385 |