



Annual Report

2022

JOEMC
Jones-Onslow Electric Membership Corporation
A Touchstone Energy Cooperative

We're in this together...

It Takes a Team

When you think of Jones-Onslow EMC, the first image that probably comes to mind is one of our lineworkers in the field. The role of a lineworker is vital to the co-op as we deliver on our promise to provide safe, affordable, and reliable electricity. But, **it takes a team** to keep the lights on.

It takes engineers reviewing plans of future subdivisions or commercial developments and then designing our electrical distribution system to meet those needs. It takes customer service representatives answering phone calls or emails when members have questions about their electric account or want to sign up for paperless billing or auto draft. Our human resources staff oversees the employee hiring process and manages our employees' benefits, including a robust health and wellness program. Our IT staff keeps our computer systems and network (both inside our offices and throughout the electrical distribution

system) running and explores new technologies to help employees work more efficiently. Warehouse personnel track inventory and ensure that materials and supplies are available when it's time to construct new services or make repairs. And the communications team works to keep members and employees informed about the good things your co-op is doing with area schools, local non-profits, chambers of commerce, and economic development organizations.

This is only a handful of the more than 80 different job titles here at Jones-Onslow. Each job is essential

to our organization and plays a crucial role in delivering electricity to our community to make it a better place to live, work, and play.

You, our members, are also a vital part of our team. Through phone calls, emails, or satisfaction surveys, we rely on your feedback to let us know how we're doing meeting your needs and expectations. We listen and take to heart what you say, and then we go out and try to do things to meet those needs. Together, we make an incredible TEAM, and by working together we make our community better every day.



2021 Year in Review

Being part of an electric co-op is unique. Why? Because cooperatives are not typical businesses.

Jones-Onslow EMC was formed in 1939 by members of the community to bring power to the people when for-profit utilities wouldn't.

By the Numbers


- **79,662** active meters in 6 counties (*Jones, Onslow, Duplin, Pender, Lenoir, Craven*)
- **2,424** total miles of distribution lines owned and maintained
 - **1,794** miles (*overhead lines*)
 - **630** miles (*underground lines*)
- **45,709** connects/disconnects for the year (*averaging 3,809 per month*)
- **\$1.6** million total returned to members in form of capital credits
- **\$16,576,286** total investment in plant

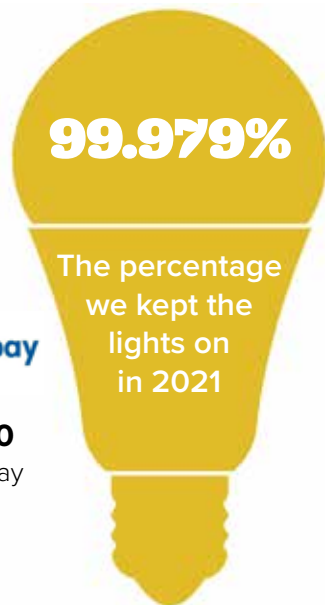


We have **205** solar interconnections on the system, including **4** commercial solar farms interconnected to our grid (13,316,097 kWh received) and **201** rooftop solar installations (475,412 kWh received). And it isn't slowing down—there are currently close to **50** homes and business installations in various stages of the process.

How Members Paid

We know that your time is valuable, and that is why we offer many convenient ways for members to pay their bills. Check out some of the ways our members made their payments in 2021.

			
*2,332	*11,804	*21,075	*590
Mobile App	Automated Phone System	Internet	FlexPay
<i>*Average per month</i>			



Member Average Electric Use

1,256 kwh per month

Average bill **\$158** per month

Your JOEMC Team

We rely on a team of people to ensure the power flows smoothly. Each Jones-Onslow employee plays a critical role in the services we provide to our members.

- **165** employees
- Led by a **10**-member board of directors
- Jeffery T. Clark, CEO



Executive Report

To say that the past couple of years has been unusual would be an understatement. Together, we confronted several difficult hurdles: a public health and economic crisis, injustice and civil unrest issues, and severe weather events that caused even more disruption for millions across the country. It is easy to fall prey to pessimism or the sense that we individually or as a co-op can't make a difference in moments like these. But helplessness is corrosive to hope, and hope plus hard work are crucial elements to help navigate this disruption.

Despite the various hurdles and losses that we've faced, there is a certain amount of solace in the fact that we've faced them together. As we reflect on the events of 2021, we feel an immense sense of gratitude to every one of our members. You kept us motivated and connected to one another, and we are grateful for your membership in our electric cooperative. We feel incredibly proud of all that we've accomplished as a co-op. We hope this year's annual report shows you that 2021 wasn't all bad and, in many ways, set the groundwork for some pretty exciting things ahead. We have a once-in-a-generation opportunity to harness technological advancements, sustainable initiatives, and community programs to define the world we want to live in. And for that, we as a co-op remain optimistic.

FINANCIAL HIGHLIGHTS

Building a brighter energy future for our members means adhering to our mission in a time of new technology while remaining true to our spirit of community involvement and member care. Our focus is to continue demonstrating value and delivering the best service at the lowest possible cost.

Providing our members with the best value for your dollar is essential to your cooperative, and that's why we do everything possible to hold down operating costs. With that said, we did see a slight increase in our member

facility charge (for all rate classes) in 2021 of \$4 per month. Even with this increase, JOEMC's member charge for facility charges remains one of the lowest in the state. Please remember, this is the first rate increase to members since 2013 — that's eight years without any rate adjustment.

There was good news for members on the financial front during the year. First, a fundamental way we provide value is to return money to our members in the form of capital

credit retirements. After all annual expenses in delivering electric service are paid, your share of the remaining money becomes the margins. They are credited back to your account in the form of capital credits. In 2021, your Board of Directors authorized a

SYSTEM GROWTH

In 2021, the cooperative continued its steady growth trend with many new homes and businesses added to our system. Our membership growth is something that many areas (served by electric cooperatives) throughout the country can't claim because they are in slow growth or no growth areas. By the end of the year, crews had built 2,699 new services, which now places the number of electric meters in our six-county service area to just under 80,000. This makes JOEMC the fourth largest electric cooperative in North Carolina.



CUSTOMER SERVICE

According to the American Consumer Satisfaction Index (ACSI) results, members rate our service among the best in the nation. JOEMC scored an 89 out of a possible 100 on the ACSI in the fourth quarter of 2021. This score puts us as one of the highest-scoring co-ops in the country. As a comparison, other Touchstone Energy Co-ops across the nation scored an average of 73, while investor-owned and municipal utilities each had an average of 71 on the ACSI.

Locally, members gave us a satisfaction score of 9.2 (out of a possible 10). Other scores in the survey included a 9.29 for providing reliable electric service, a 9.24 for having competent and knowledgeable employees, a 9.22 for restoring electric service when the power goes out, a 9.16 for being committed to the community, and a 9 for handling individual member complaints and problems.

return of \$1.6 million that came back to members by checks or bill credits.

In addition to capital credits, we issued a one-time credit to members of \$36 on December electric bills. The credit was possible because of several factors, including higher revenues (members purchased more power during the year) than was projected, a reduction in our wholesale power costs from our power supplier, and the efficient day-to-day business operation of the co-op.

RELIABILITY & IMPROVEMENTS

In our business, the name of the game is reliability, and JOEMC continues to have one of the top reliability ratings in the country. In 2021, we kept the lights on 99.979 percent of the time.

In 2021, our system projects were constructed with one goal in mind, improving reliability. Examples include installing new equipment in growing areas (with increased power demands) to minimize power interruptions before they occur and testing existing infrastructure to identify equipment that needs upgrading. Being proactive and analyzing our system allows your cooperative to ensure the delivery of reliable electricity.

Major power line upgrades, relocations, and replacements were made along Grants Creek Road, Hall Point Road, Hubert Boulevard, Old

Folkstone Road, Sewell Road, Summersill School Road, Western Boulevard, White Oak River Road, Wyse Fork Road, Thomas Loop Road, Highway 24, and Highway 50. Underground cable replacement projects were completed in Brynn Marr, Hunters Creek, North Shore Country Club, and Walnut Landing subdivisions.

On the substation front, the co-op's new Pleasant Hill Switching Station, mentioned in last year's annual report, was energized and came online in 2021. New and replacement equipment was installed at the Elm Grove and Trenton substations and, as part of our multi-year maintenance program, the co-op's substation crews continued work to impact all of our distribution substations throughout our service area.

A transmission line pole-replacement project saw work performed on the cross-country section of the transmission line between Highway 172 and the Sneads Ferry Substation.

Lastly, we completed a substation automation project in 2021 that allows for remote visibility and the operation of feeder breakers in all but two of our distribution substations. We have also connected multiple other devices inside our substations, enabling us to monitor the facilities remotely. Finally, the co-op continues to utilize our Controlled Voltage Reduction project to help reduce system peak demand and allows your cooperative to save money on power costs during certain times of the year.

Financials

BALANCE SHEET

	2021	2020
Assets		
Electric Plant at Original Cost	\$407,007,869	\$393,945,093
Less Depreciation	(125,844,270)	(116,886,023)
Net Value of Electric Plant	\$281,163,599	\$277,059,070
Cash	3,173,251	5,536,595
Investments	42,677,595	37,873,296
Accounts Receivable	19,843,572	22,614,941
Materials & Supplies	2,851,603	2,893,528
Prepaid & Accrued Assets	4,568,738	3,888,316
Total Assets	\$354,278,358	\$349,865,746
Liabilities		
Long Term Debt	\$143,605,306	\$146,783,176
Consumer Deposits	3,211,253	3,523,648
Accounts Payable	24,210,406	27,132,035
Deferred Credits	11,627,729	9,929,767
Other Liabilities & Credits	3,618,422	3,681,148
Patronage Capital & Other Equities	168,005,242	158,815,972
Total Liabilities	\$354,278,358	\$349,865,746

REVENUE & EXPENSES

	2021	2020
Where the Money Comes From		
Gross Electric Sales	\$144,817,237	\$138,994,117
Net Electric Sales	\$142,242,998	\$137,313,462
Miscellaneous Revenue	2,574,239	1,680,655
Total Revenues	\$144,817,237	\$138,994,117
How the Money Was Spent		
Purchased Power	\$96,199,199	\$93,351,506
Operations & Maintenance Expense	6,953,640	6,788,098
Administrative & General	16,853,647	16,502,951
Depreciation	12,886,272	12,262,868
Taxes	1,777,983	1,734,603
Interest Expense	4,652,304	4,749,978
Other Deductions	163,038	135,832
Total Expenses	\$139,486,083	\$135,525,836
Margins		
Margins Deferred	(\$1,500,000)	(\$1,000,000)
Margins Recognized from Previous Year	1,000,000	2,500,000
Margins (Capital Credits)	\$4,831,154	\$4,968,281
Percentage Capital Credits to Income	3.34%	3.57%

Your Board of Directors



*Nelson Burgess



*Robert Daughety



Cecil Hargett
Secretary/Treasurer



Iris Horne



Brandon Howard



Michael Chad Meadows



*Douglas Parker



*John Pierce
Chairman



Dale Powell



Thomas Waller
Vice Chairman

Official Notice

*At a meeting held on February 24, 2022, the Committee on Nominations nominated the following candidates for Directors of the cooperative for a three-year term: Douglas Parker (District I), John Pierce (District II), Robert Daughety (District III), and Nelson Burgess (*At-Large*).

Nominating Committee

District I

Roger Eden, Sneads Ferry, NC
Gary Johnson, Sneads Ferry, NC
Wendy Robinson, Hubert, NC

District II

Leland Brown, Jacksonville, NC
Ronald Pittman, Richlands, NC
Susan Thomas, Richlands, NC

District III

Franklin Andrews, Trenton, NC
Tyler Griffin, Pollocksville, NC
Deanna MacIntosh, Trenton, NC

Being Part of the Team

Electric cooperatives, like JOEMC, are private, independent electric utilities, owned by the members they serve. We have a history of being embedded in our local communities and we think that's one of the reasons they are such great places to live. WE BELIEVE that we make a difference and that our members, board of directors, and employees represent what is best about our area and all that it offers.

Our Mission

Jones-Onslow's mission is to provide safe, reliable, and affordable electric service with uncompromised excellence in customer service, while committing to improve the quality of life for our members through community and civic involvement.

Join Us!

FRIDAY, MARCH 25TH AT 10:00 A.M.

Jones-Onslow EMC 2022 virtual Annual Meeting

Due to the lingering impacts and unknowns of COVID-19 and the positive feedback received after last year's virtual Annual Meeting, the JOEMC Board of Directors decided to move forward in a virtual format in 2022. Remember, even though the meeting is virtual, the prizes are still real!

Grab a cup of coffee and join the JOEMC team from the comfort of your home or office for the following:

- A short intro video
- National Anthem
- Prayer
- Business meeting
- Announcement of door prize winners
- Announcement of truck winner
(a recently retired fleet vehicle—2013 Chevrolet Silverado 1500 in “as is” condition)

Links to the Virtual Meeting

<https://www.joemc.com/2022-annual-meeting> and <https://www.facebook.com/JonesOnslowEMC>



For all 2022 Annual Meeting information, including the [2021 business meeting minutes](#), go to <https://joemc.com/2022-annual-meeting>.