



**Singing  
River  
Electric**

A Touchstone Energy® Cooperative ⚡ 🔧

# 20 19

**ANNUAL REPORT**



## About Us



Employees

186

Members

56,991



Meters

75,061

Capital credits retired

\$5,000,000+



Substations

44

New services  
connected  
in 2019



1,838



Tons of  
debris  
collected  
at Renew  
Our Rivers

11

Total NHN Grant funds  
awarded since program began



\$284,408.31

Member  
calls answered by MSRs

139,926

2 Member credits  
passed  
through  
in 2019



Miles of power lines  
maintained

7,470



# CEO MESSAGE

Providing safe, reliable, and affordable electric service continues to be your cooperative's primary goal.

The year 2019 presented many challenges and opportunities. As we began the year, our staff was focused on becoming accredited through the **Electric Cooperatives of Mississippi's Safety Accreditation Program**. The program required us to focus on all aspects of work. While employees have always kept safety as their primary focus, participating in the audit helped us take a deeper dive into work practices and work areas. Through several months of hard work and preparation, Singing River Electric attained the certification.

In January of last year, the **Mississippi Broadband Enabling Act** was passed into law, allowing Mississippi's 25 electric cooperatives, including Singing River Electric, to provide high-speed internet to their members. While providing internet service is not our core business, Singing River Electric's board and management recognized the need exists within several of the communities we serve today. A broadband feasibility study was performed for our service territory and then analyzed by our board of directors. The wording within the enabling act and the costs associated with this potential endeavor were concerning and indicated potential risk for the membership as a whole. In July, SRE engaged the membership regarding this topic and performed a member survey. Results indicated over two-thirds of those surveyed (equitable across our service territory) had access to high-speed internet service. We recognize the growing need for this service and that many of our members still do not have access. We continue to look for opportunities to provide broadband and/or partner with a business that has expertise in this field, while maintaining excellent electric service at the lowest cost possible.

Looking ahead, we will continue programs that provide education, assistance and value to our members while supporting our local communities. **COVID-19** has certainly challenged us to examine how we provide member service. We adapted by stepping up member communications, placing signage at all offices to clearly identify drive-up service locations, closing the offices, and making structural and procedural changes to the lobbies to improve safety as they reopen. As always, Singing River Electric is committed to the safety of our members and employees.



**Brian Hughey**

General Manager and CEO  
Singing River Electric

# LED BY MEMBERS LIKE YOU

## Board of Directors

Singing River Electric is led by a 10-member board of directors. Each member is elected by the membership and holds a three-year term representing one of three districts:

### District 1

Greene, Perry, and Wayne counties in Miss. and Washington County in Ala.



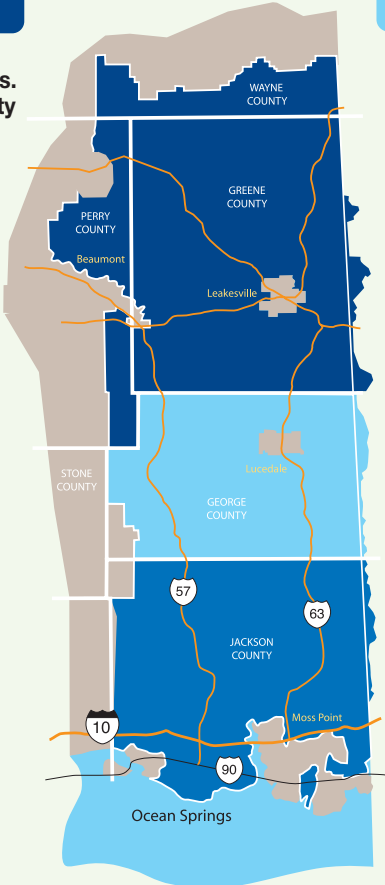
Ralph Hicks



Cary Williams

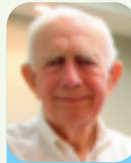


Robert Steele



### District 2

George and Stone counties in Miss. and Mobile County in Ala.



Roy Grafe



Ron Wilson



Travis Baxter

### District 3

Jackson and Harrison counties in Miss.



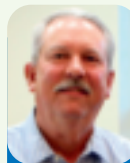
Eddie Thornton



Kristal Sisson



Mark LaSalle



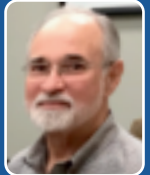
Howard Davis

## Credentials and Election Committee

Six Singing River Electric members currently serve on the Credentials and Election Committee. These individuals serve the co-op by verifying board candidates prior to election. They also help oversee board elections, allowing for member oversight and ensuring transparency.



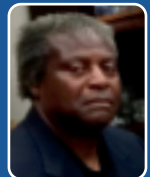
LINDA ECKFORD



RICHARD FLEMING



MILTON DRISKELL



OBIE WELLS



MARVIN BLANKINCHIP



PHIL BUSBY

## NHN Grants

Below are a few of the Neighbors Helping Neighbors Community Grants awarded to local non-profits in 2019.

**Pascagoula Fire Department**  
For gear and equipment needed to rescue flood water victims



**Pascagoula River Audubon Center**  
For six single-person kayaks and storage rack materials



**George County Middle School**  
For slab roller, tool kit and three tabletop pottery wheels



# COMMUNITY

Our more than 80-year heritage is intricately tied to our local communities. We were built by the communities we serve, and our employees live in these same communities today. That is why community service and conservation are so important to our employees and board of directors.

Throughout 2019, we participated in **Renew Our Rivers** cleanups that collected 11 tons of garbage and debris from the Pascagoula River system, greeted more than 7,000 eighth graders to demonstrate the many energy career paths at **Pathways2Possibilities**, brought awareness to veterans, active military and breast cancer research, served lunch at Our Daily Bread, and read to kindergarten classes across three counties as part of our **Cooperative Days of Service**.

Singing River Electric's **Neighbors Helping Neighbors Community Grants** allow the cooperative to merge efforts with the hard work in our local communities. Since the program's inception in 2001, \$297,836 has been awarded to non-profits in local communities in the areas of education, community development and economic development.





# EDUCATION

Support for education and training is one of seven founding principles practiced by all cooperatives. Whether it's the monthly employee safety meetings, high school job fairs, supporting STEM summer camps or a visiting robotics class looking to get hands-on knowledge of our distribution system, our dedication to the task is the same.

Each year Singing River Electric participates in the Electric Cooperatives of **Mississippi Youth Leadership Program** and the **National Rural Electric Cooperative Association Youth Tour of Washington, D.C.** High school juniors are chosen by their schools to participate in SRE's Cooperative University and are interviewed for a chance to represent their cooperative. Our SRE Youth Leaders visit our state capital in the spring followed by a week-long tour of our nation's capital that summer. The trips focus on leadership building and introduce students to their state and national legislators.

**Safety City** presentations are made annually to school classrooms and at community engagements. More than 8,300 students and adults attended these safety education presentations in 2019. The presentations also educated attendees about the various jobs provided by electric cooperatives. The demonstrations are lively and "shockingly" visual reminders using plastic houses, trees and scenarios in a safe environment to teach the importance of electric safety.



## Mississippi Youth Leaders

This program allows local students to learn about history and government while developing leadership skills.



**CARLY JONES**

East Central High School



**JEB WELLS**

Vanceleave High School



**MADISYN PETERSON**

St. Martin High School



**SARAH HULTS**

Resurrection High School

## Cooperative Principles

Cooperatives around the world operate according to the same set of core principles. They are a key reason that Singing River Electric and other electric co-ops operate differently from other utilities, putting their members' needs first.

### 1 VOLUNTARY AND OPEN MEMBERSHIP



### 2 DEMOCRATIC MEMBER CONTROL



### 3 MEMBERS' ECONOMIC PARTICIPATION



Construction Foreman Tres Hartley works on power lines for Southern Pine Electric in Taylorsville, Miss. In 2019, Singing River Electric linemen assisted this fellow electric cooperative with power restoration following a tornado and then again after Tropical Storm Olga.



# 6 COOPERATION AMONG COOPERATIVES

## 4 AUTONOMY AND INDEPENDENCE



## 5 EDUCATION, TRAINING AND INFORMATION



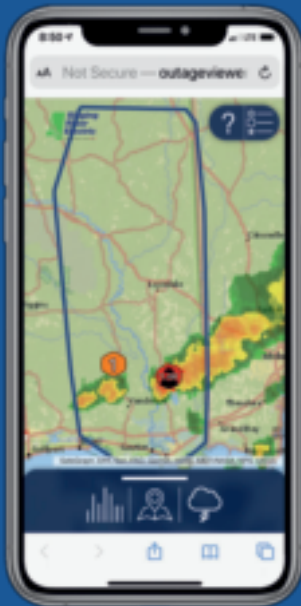
## 6 COOPERATION AMONG COOPERATIVES



## 7 CONCERN FOR COMMUNITY



Report power outages with the tap of a screen. It is the **FASTEST** way to report your outage and inputs your request directly into our Outage Management System to be scheduled for repair. Visit [singingriver.com/smarthub](http://singingriver.com/smarthub) to download the **FREE** mobile app.



REPORT OUTAGES



RECEIVE IMPORTANT  
UPDATES

# SYSTEM IMPROVEMENTS

Singing River Electric's engineering team works every four years to develop and implement a **Construction Work Plan**. Planning begins five to six years in advance as the team studies area growth and the current electrical system. Each year, SRE construction crews implement the plan by safely replacing undersized power lines and upgrading transformers. This past year the plan included constructing the Frank Snell substation in northeast Jackson County. Built to meet the growing needs of the Big Point and Hurley communities, this substation will also provide backup capacity to adjacent substations further supporting service reliability. In addition, crews replaced spans of copper power lines with aluminum wire. According to Sand Hill District Manager Jeff Catlett, close to 80 miles of copper wire has been changed out in the past six years. Pole line inspections and substation maintenance broadened the assessment of the distribution system in all areas.

SRE regularly clears trees, limbs and underbrush from **rights-of-way** around and below the power lines to decrease the number of power outages and increase safety. In addition to maintaining three to four-year cycles throughout the service area, Right-of-way Coordinator Nick Greer began running a re-clearing schedule in the Today in Mississippi monthly member magazine to communicate about upcoming projects.





# EFFICIENCY

When it comes to energy efficiency, we are living during a time of great opportunity. From beneficial electrification to smart thermostats, there is much to consider and learn.

Singing River Electric hosted four **Energy Fairs** in 2019 in the areas of Helena, Fontainebleau/Ocean Springs, Lucedale, and Greene County. The fairs welcomed members to visit information stations on insulation, lighting, construction, heating and cooling, and electric vehicles. Members asked questions and sought the advice of Singing River Electric's energy consultants regarding energy efficiency and do-it-yourself projects to improve their homes.

The cooperative's redesigned **website** launched in early 2019 with an emphasis on ease of use and establishing the site as a trusted source for information. The Ways to Save section, located under the My Home tab, is loaded with tips, tools and calculators to help Singing River Electric members save energy and money. Whether you are requesting a heat pump rebate, looking to find 101 easy ways to save, or building or renovating your home, this website is for you. Find out more by visiting [singingriver.com/ways-to-save](http://singingriver.com/ways-to-save).



## SmartHub

Monitor your energy use to control costs. Check use daily, monthly or by annual basis. Conserve and save.



MONITOR ENERGY USE



MANAGE YOUR ACCOUNT



VIEW AND PAY  
YOUR ACCOUNT

# BALANCE SHEET

Balance Sheets at December 31, 2019 and 2018

## ASSETS

	2019	2018
<b>UTILITY PLANT:</b>		
Electric plant in service	\$ 350,670,684	\$ 338,435,444
Construction work in progress	4,294,701	2,326,345
Less: Accumulated provision for depreciation and amortization	(101,821,495)	(97,468,829)
Retirement work in progress	<u>(68,283)</u>	<u>119,296</u>
Net utility plant	<u>253,075,607</u>	<u>243,412,256</u>
<b>OTHER ASSETS AND INVESTMENTS:</b>		
G&T and other capital credits	71,466,227	68,867,514
Economic development loan receivables	612,381	764,223
Other investments	<u>284,152</u>	<u>416,349</u>
Total other assets and investments	72,362,760	70,048,086
<b>DEFERRED CHARGES:</b>		
Prepaid pension	<u>2,264,720</u>	<u>2,944,135</u>
Total deferred charges	2,264,720	2,944,135
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	5,946,433	4,771,879
Restricted cash - Cooperative Energy	20,700,000	24,200,000
Disaster recovery fund	11,556,000	11,253,000
Temporary cash investments	24,339,000	6,700,000
Accounts receivable		
Customers, less provision for doubtful accounts	7,167,299	8,712,963
Unbilled revenue	8,028,919	-
Other	649,044	3,338,870
Materials and supplies	3,941,101	4,168,156
Other current and accrued assets	<u>529,386</u>	<u>488,898</u>
Total current assets	<u>82,857,182</u>	<u>63,633,766</u>
Total assets	<u>\$410,560,269</u>	<u>\$380,038,243</u>

## LIABILITIES AND EQUITIES

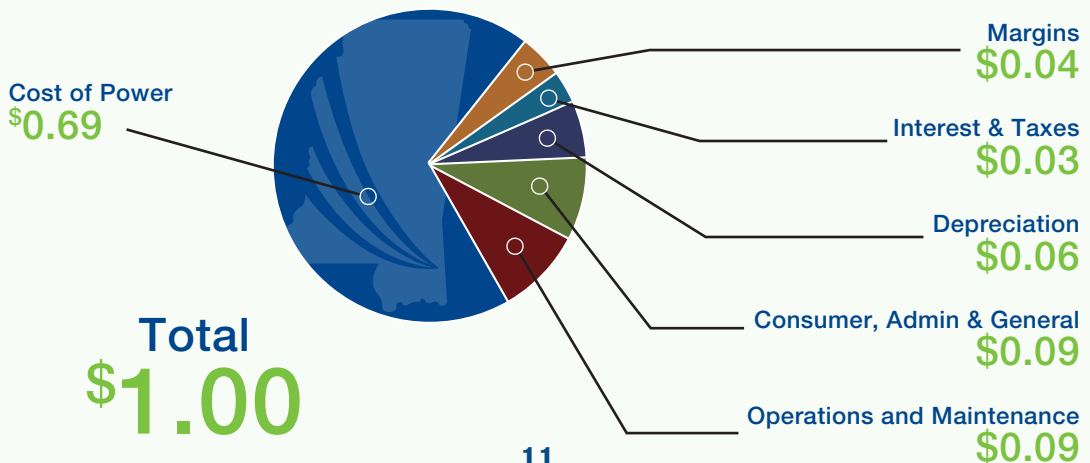
<b>EQUITIES:</b>		
Memberships	\$299,005	\$297,385
Patronage capital	175,120,287	174,505,740
Accumulated other comprehensive income(loss) - unrecognized components of net periodic benefit costs	4,908,364	6,235,811
Other equities	<u>25,357,670</u>	<u>15,037,952</u>
Total equities	<u>205,685,326</u>	<u>196,076,888</u>
<b>LONG-TERM DEBT:</b>		
Notes payable	169,300,083	147,945,969
Capital lease obligations	752,008	999,052
Less: Current maturities	<u>(9,181,495)</u>	<u>(8,233,295)</u>
Total long-term debt	160,870,596	140,711,726
<b>CURRENT LIABILITIES:</b>		
Current maturities on long-term debt	9,181,495	8,233,295
Current maturities on capital lease obligations	247,044	240,143
Current maturities on postretirement benefit obligation	794,985	643,327
Accounts payable		
Purchased power	9,046,377	8,712,660
Other	721,476	759,113
Member deposits	5,765,159	5,697,897
Accrued liabilities		
Payroll and compensated absences	1,673,620	1,589,334
Interest	975,165	954,121
Other	<u>654,065</u>	<u>796,038</u>
Total current liabilities	<u>29,059,386</u>	<u>27,625,928</u>
<b>DEFERRED CREDITS:</b>		
Deferred G&T power credit		1,186,612
Total deferred credits		<u>1,186,612</u>
<b>OTHER LIABILITIES:</b>		
Accumulated postretirement benefit obligation	<u>14,944,961</u>	<u>14,437,089</u>
Total liabilities and equities	<u>\$410,560,269</u>	<u>\$380,038,243</u>

# STATEMENT OF REVENUE AND PATRONAGE CAPITAL

Statements of revenue and patronage capital at December 31, 2019 and 2018

	2019	2018
<b>OPERATING REVENUE:</b>		
Residential	\$107,228,235	\$112,178,415
Commercial and industrial (1,000 kva or less)	36,154,998	36,997,651
Commercial and industrial (over 1,000 kva)	6,921,170	6,369,882
Public highway and street lighting	388,843	390,936
Other electric revenue	<u>5,196,451</u>	<u>5,220,953</u>
Total operating revenue	<u>155,889,697</u>	<u>161,157,837</u>
<b>OPERATING EXPENSES:</b>		
Cost of power	111,282,051	113,629,592
Distribution expenses - operations	4,659,292	4,439,463
Distribution expenses - maintenance	9,686,804	10,133,656
Consumer accounts expenses	5,673,883	5,619,224
Administrative and general expenses	7,872,885	7,302,676
Depreciation expense	9,611,523	9,298,686
Taxes	<u>11,243</u>	<u>11,366</u>
Total operating expenses	<u>148,797,681</u>	<u>150,434,663</u>
<b>OPERATING MARGINS BEFORE FIXED CHARGES</b>	7,092,016	10,723,174
<b>FIXED CHARGES:</b>		
Interest on long-term debt	5,266,835	5,127,294
Other interest	<u>135,957</u>	<u>130,287</u>
Total fixed charges	<u>5,402,792</u>	<u>5,257,581</u>
<b>OPERATING MARGINS AFTER FIXED CHARGES</b>	1,689,224	5,465,593
<b>G&amp;T AND OTHER CAPITAL CREDITS</b>	<u>3,819,025</u>	<u>4,952,531</u>
<b>NET OPERATING MARGINS</b>	5,508,249	10,418,124
<b>NON-OPERATING INCOME</b>	<u>1,454,447</u>	<u>1,081,632</u>
<b>NET MARGINS FOR THE YEAR</b>	6,962,696	11,499,756
<b>PATRONAGE CAPITAL AT BEGINNING OF YEAR</b>	174,505,740	166,221,444
<b>RETIREMENT OF CAPITAL CREDITS</b>	<u>(6,348,149)</u>	<u>(3,215,460)</u>
<b>PATRONAGE CAPITAL AT END OF YEAR</b>	<u>\$175,120,287</u>	<u>\$174,505,740</u>

## HOW EACH DOLLAR WAS SPENT




# **ECM** 2019 SAFETY ACCREDITATION

ELECTRIC COOPERATIVES  
of Mississippi

The purpose of the Electric Cooperatives of Mississippi's Safety Accreditation Program is to inform and promote safety and loss control, preserve lives, prevent injury and help reduce the escalating costs associated with preventable injuries and/or death.



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**[singingriver.com](http://singingriver.com)**



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