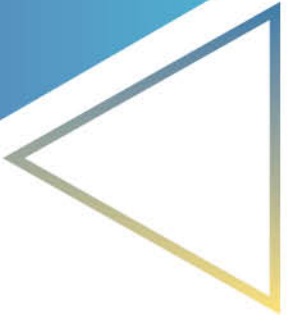


# Northcentral Electric Cooperative™

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662.895.2151



# 2022



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# » Agenda

Wednesday, October 26, 2022, 2p.m.

Northcentral Electric Cooperative Auditorium

## **Welcome & Call to Order**

Pat Woods, Northcentral Board President

## **Invocation**

Douglas Bell, CrossPointe Church

## **Reading of Minutes (2021 Meeting)**

James Woods, Board Attorney

## **Report as to Quorum Being Present**

Rita Hobbs, Chairperson, Elections and Credentials Committee

## **Report of the CEO**

Kevin Doddridge, General Manager/CEO

## **Door Prize Drawings**

## **Reconvene for Election Committee Report**

Kevin Doddridge, General Manager/CEO

## **Election Committee Report**

Rita Hobbs, Elections and Credentials Committee

## **Adjourn**





## › **Mission Statement**

*Northcentral Electric Cooperative seeks to be the leading provider of innovative solutions committed to service, reliability, and community.*

*We are continually seeking and providing innovative solutions for our communities by upholding the values of safety, continuous improvement, integrity, accountability, and being locally owned and community invested.*

# › Greetings

› Northcentral Electric Cooperative General Manager/CEO Kevin Doddridge

**Northcentral Electric Cooperative celebrates 71 years of service to our community.** While your cooperative faced numerous challenges this past year, we realized multiple successes as we continue to improve the quality of life in northcentral Mississippi.

Northcentral's fiber project through our affiliate, Northcentral Connect, continues to make progress. While supply chain and skilled labor availability have not allowed the project to move forward at the speed many had hoped, we continue to make steady progress delivering this much needed network.

Our reliability remains among the highest in the country, while retail rates are consistently in the lowest 20%. Despite the dramatic spike in generating fuel prices and heat this past summer, Northcentral rates continue to maintain this position. Our strong partnership with TVA has allowed us to continue to provide the reliability and competitive rates needed in our growing community. The value of a diverse fuel generation mix, combined with a strong maintenance plan is of

incredible value.

Capital and operations and maintenance costs continue to grow as our community grows. The mix of residential, retail, and industrial growth reflects the diversity we experience in our community and appears to be continuing into the near future.

Safety has, and remains a challenge during a year that saw Northcentral address ice storms, tornadoes, high-speed internet demand, as well as continued system growth. Safety will continue to be at the forefront of our operations and a key core value. At Northcentral we remain steadfast in our commitment to a culture that pursues "Zero Incidents." While we see significant threats in the office and in the field, we are determined to satisfy 100% of the rules, covering 100% of the people, 100% of the time.

Northcentral Electric Cooperative has enjoyed adding value to our community in the past and eagerly anticipates the opportunity to provide those needed services and solutions that add value to the lives of those in our community well into the future.





# Know Your Cooperative

Northcentral Electric Cooperative Board of Directors and Service Area Map



**Pat Woods, Board President**  
Serving District 1



**Jerry Nichols, Vice President**  
Serving District 5



**Don Dickerson, Secretary**  
Serving District 2



**Phil Lachaussee, Olive Branch**  
Serving District 3



**Tony Taylor, Olive Branch**  
Serving District 4



**Morris Thompson, Watson**  
Serving District 6



**Joan Childress, Marshall County**  
Served District 7



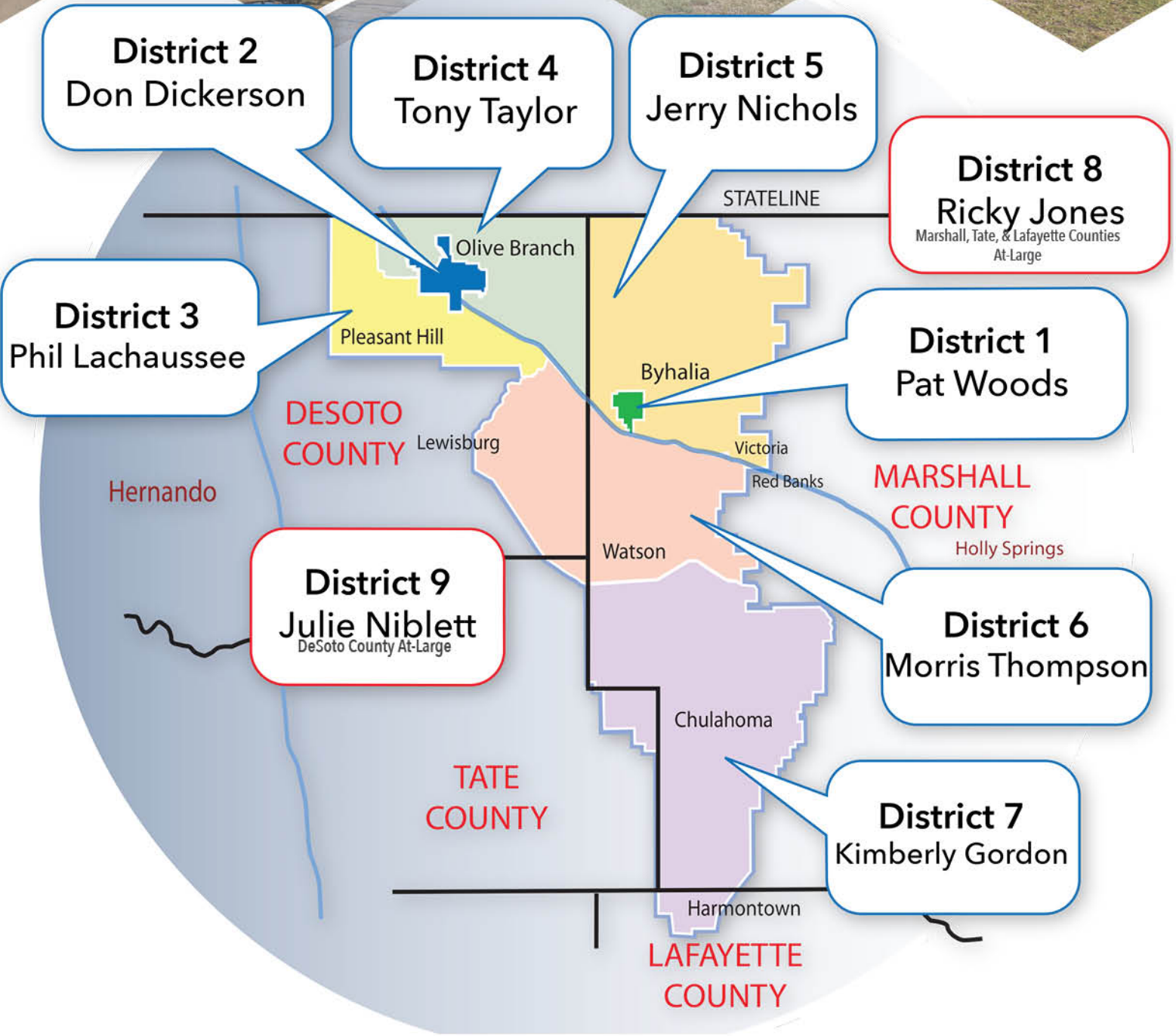
**Ricky Jones,**  
Marshall, Tate, & Lafayette Counties at-large  
Serving District 8



**Julie Niblett,**  
DeSoto County at-large  
Serving District 9



**James E. Woods**  
Board Attorney





## Spotlights



Justin Treadway has been promoted to Staking Technician II (September 1, 2022)



Cordell Eason has been promoted to System Operator II (September 1, 2022)



Pete Nelson has been promoted to IT Support Engineer (August 29, 2022)



Nathan Boyle has been promoted to IT Support Specialist (August 29, 2022)



Andy Denman has been promoted to Line Superintendent (August 1, 2022)



Samantha Bates has been promoted to Billing Analyst (July 31, 2022)



Dee Russum has been promoted to Community Relations Coordinator (November 18, 2021)

Travis Boren has been promoted to Line Foreman (August 11, 2022)



Adam Conway has been promoted to Line Foreman (August 11, 2022)



Rick Dunning has been promoted to Staking Technician (August 8, 2022)



Ashley Richie has been promoted to Customer Service Rep I (August 8, 2022)



Billi Harris has been promoted to Engineering Assistant (December 30, 2021)



Cory Critcher has been promoted to Journeyman Lineman (September 1, 2022)



Ethan Davis has been promoted to Journeyman Lineman (January 24, 2022)



Tammy Bunn has been promoted to Office Assistant (June 13, 2022)





## › Milestone Service Anniversaries



**Kevin Doddridge, 35 years**



**Barry Williams, 35 years**



**Donald Pogue, 25 years**



**Joel Barrett, 20 years**



**Leah Grant, 20 years**



**Cliff Lauderdale, 20 years**



**Charles Wheeler, 20 years**



**Ashley Sanderlin, 10 years**



**Ken Morse, 10 years**

**Tammy Bunn, 10 years**



**J.D. Cox, 10 years**



**Lauren Presley, 10 years**

## › Retirements



Consumer Billing Supervisor Cheryl Harmon retired after 14 years of service at Northcentral Electric Cooperative. She started her career with us as a Staff Accountant.



Radio Operator Caren Wilbanks retired after 30 years of service at Northcentral Electric Cooperative. She began as a part-time, after-hours dispatcher working from home.

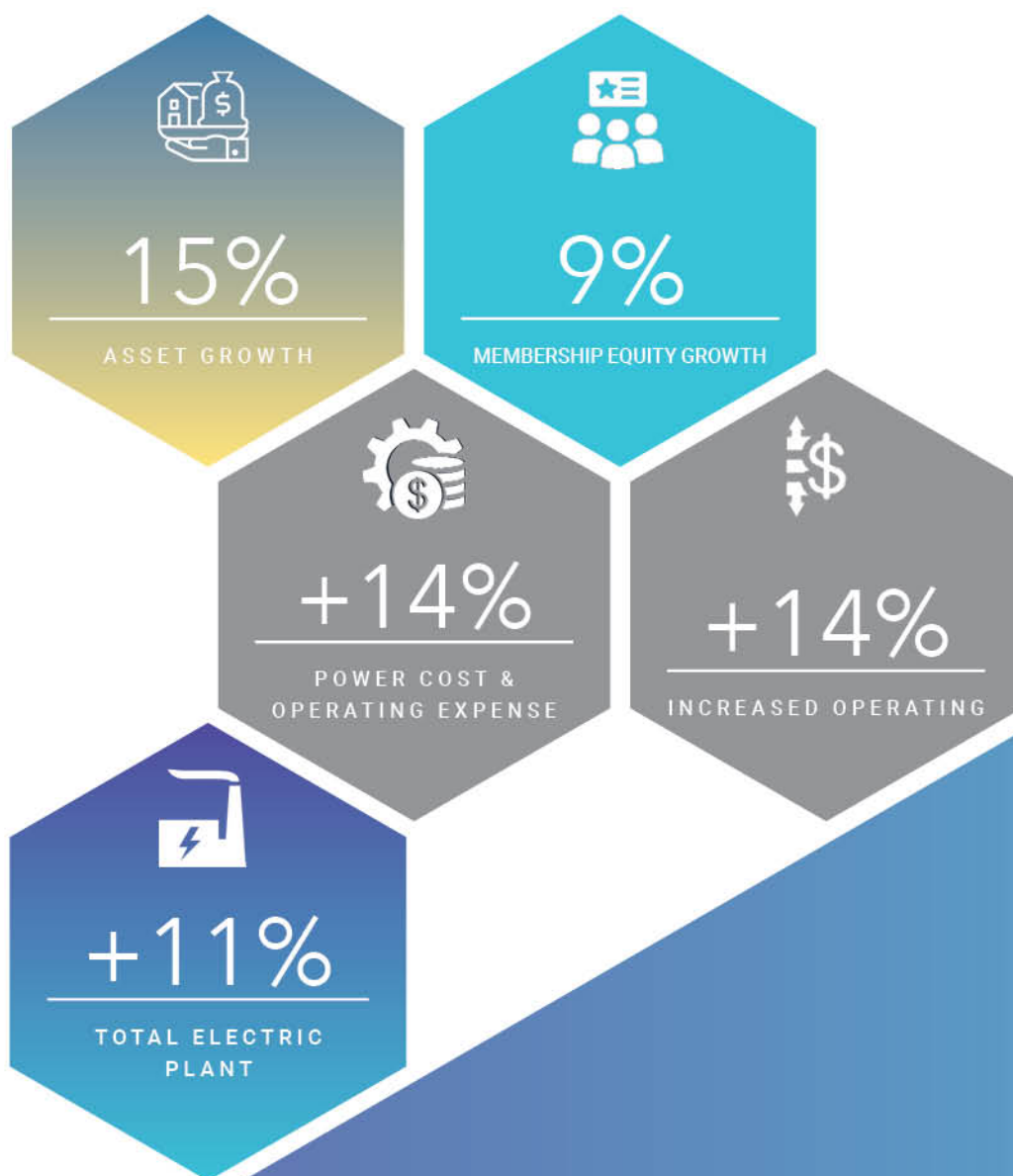


Overhead Superintendent Paul "Rip" Connell retired after 31 years of service at Northcentral Electric Cooperative. He began in 1991 as an Apprentice Lineman



## › Finances

Our financial statements represent July 2021 to June 2022. We've experienced growth in several areas with Northcentral Electric Cooperative reaching more than 300 megawatts in peak demand. As of the date of this publication, the annual audit of our financial statements by our accounting firm, Franks, Franks, Wilemon, & Hagood, P.A., was incomplete



**NORTHCENTRAL ELECTRIC COOPERATIVE  
BALANCE SHEETS**

Fiscal Years ending June 30, 2022 and 2021

<b>ASSETS</b>	2022	2021
<b>UTILITY PLANT</b>		
Utility Plant in Service - At Cost	\$ 228,033,453	\$ 204,840,594
Less Accumulated Depreciation	<u>70,482,570</u>	<u>68,198,224</u>
Total Electric Plant- Net	<u>157,550,783</u>	<u>136,642,370</u>
Subscription and Long-term Capital Certificates and other Investments	<u>1,872,525</u>	<u>662,284</u>
<b>CURRENT ASSETS:</b>		
Cash and Cash Equivalents	8,706,641	7,336,778
Accounts Receivable	10,438,873	7,892,745
Materials and Supplies	1,817,544	3,011,504
Prepayments	107,281	81,157
Other Current Assets	<u>1,753,271</u>	<u>2,384,558</u>
Total Current Assets	<u>22,824,720</u>	<u>20,836,720</u>
<b>DEFERRED CHARGES</b>		
Prepaid Pension	293,076	683,845
Notes Receivable - Customers	<u>28,616</u>	<u>56,821</u>
Total Deferred Charges	<u>321,692</u>	<u>740,666</u>
Total Assets	<u>\$ 182,489,720</u>	<u>\$ 158,882,040</u>
<b>Membership Equity and Liabilities</b>		
<b>Membership Equity</b>		
Membership Certificates	1,421,247	1,363,520
Patronage Capital	<u>109,779,714</u>	<u>100,319,506</u>
Total Membership Equity	<u>111,200,961</u>	<u>101,763,026</u>
<b>Non-Current Liabilities</b>		
Long-term Debt, Net of Current Maturities	38,657,211	28,261,087
Advance from TVA	<u>30,210</u>	<u>60,001</u>
Total Non-Current Liabilities	<u>38,687,427</u>	<u>28,321,091</u>
<b>Current and Accrued Liabilities</b>		
Current Maturities of Long-term Debt	1,553,028	1,602,870
Line of Credit	3,000,000	1,500,000
Accounts Payable	22,084,840	18,334,647
Customer Deposits	6,393,830	6,082,270
Interest Accrued	201,814	204,386
Other Current Liabilities	<u>1,307,818</u>	<u>1,133,741</u>
Total Current Liabilities	<u>34,581,332</u>	<u>28,857,923</u>
Total Membership Equity and Liabilities	<u>\$ 182,489,720</u>	<u>\$ 158,882,040</u>



**NORTHCENTRAL ELECTRIC COOPERATIVE**  
**Income Statement**  
Fiscal Years ending June 30, 2022 and 2021

	For the years ended June 30,	
	2022	2021
<b>OPERATING REVENUE:</b>		
Electric Sales	\$ 124,074,506	\$ 103,404,377
Revenue from Late Payments	882,970	697,318
Miscellaneous Service Revenue	333,003	285,154
Rent from Electric Property	273,570	184,038
Total Operating Revenue	126,164,050	110,501,205
<b>OPERATING EXPENSE:</b>		
Purchased Power	90,684,904	80,061,282
Operations	3,854,394	3,185,383
Maintenance	5,264,766	4,202,980
Customer Accounts	1,538,073	1,338,234
Customer Service and Information	815,749	511,180
Sales	307,517	260,583
Administrative and General	1,524,832	1,025,345
Total Operating Expenses	103,741,228	92,634,947
<b>OTHER OPERATING EXPENSE:</b>		
Depreciation	7,001,701	6,703,334
Taxes and Tax Equivalents	1,570,509	1,216,058
Total Other Operating Expenses	8,662,210	7,967,192
Operating Income Before Interest Expense	11,700,620	9,904,066
Interest Expense	1,265,088	1,136,276
Operating Income	10,435,534	8,797,790
<b>OTHER INCOME (EXPENSES)</b>		
Interest and Other Income	(1,065,355)	(801,903)
Gain (Loss) on Sale of Plant	50,029	(1,090,331)
Net Other Income (Expense)	(1,015,326)	(1,959,934)
Excess of Revenues over Expenses	9,460,208	6,837,856
Patronage Capital-Beginning of Year	100,319,506	93,481,650
Patronage Capital-End of Year	\$ 109,779,714	\$ 100,319,506





**S**ystem growth and our fiber build provided plenty of projects for Northcentral's underground and overhead construction crews, as well as several contractors throughout the past year. Over 700 new underground electric service were installed, as well as 620 utility pole replacements, either for fiber make-ready or due to failed inspections. Primary underground and fiber conduit was installed in 16 new and existing subdivisions and primary lines were built to serve five new overhead subdivisions. Additionally, we worked 16 new commercial and industrial installations. Over 1,000 LED lights were newly installed or upgraded to provide more energy efficient street and yard lighting to the area.

A few major system improvements completed last year include a three-phase line upgrade on Old Goodman Road that involved 15 pole replacements. We also extended three-phase lines to support industrial growth in the Chickasaw Trails Industrial Park in Marshall County and the Olive Branch Logistics Center.

To improve reliability, troubleshooting, and restoration times, we performed fuse coordination work in five areas of Marshall County. This work basically sectionalizes line spans to reduce the number of members impacted during an outage.

We were fortunate again to be able to offer storm restoration aid to our sister cooperatives. Our linemen worked 10 days last September assisting DEMCO around Baton Rouge, Louisiana in restoration efforts



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Director, Construction  
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## » Construction

following Hurricane Ida, where 90% of their system was down due to the powerful storm. We also had crews and equipment help in-state with storm work for Coahoma and Tippah Electric Power Associations.

I am proud of the work done to quickly restore power to our system following the February 2022 ice storm. With all available Northcentral personnel, and assistance from 4-County Electric, Pontotoc Electric, and contractor MDR Construction, power was restored to everyone that could receive it in a matter of 40 hours. We are thankful for their assistance and that all of this work was done safely.





**Larry Johnson**

Director, Engineering & Operations  
ljohnson@northcentralelectric.com

## › Engineering & Operations

**F**oundation work has begun for our 11th substation, soon to be under construction at the intersection of Pleasant Hill and Stateline Roads. This "North DeSoto" station will be fed by a new TVA transmission line from our Mineral Wells station and will provide a new delivery point on the northwest portion of our service area. The new station will result in less line exposure, faster troubleshooting, and new switching capabilities to ensure greater reliability for members in Olive

Branch and Southaven. Due to design and material delays, energizing the station has been postponed until Spring of 2023.

We made a big swing over the past year in reclaiming rights of way to establish proper line clearances. Immediate results of the work were demonstrated by a winter ice storm and a spring windstorm that had limited outages with quick restoration times in comparison to neighboring utilities. Right of way work has continued in the rural eastern and northeastern parts of our service area this year, and these crews will be moving south through the end of this year. We will also begin cycle trimming areas in northern DeSoto and Marshall Counties as part of our overall plan to maintain a 4-5-year trim cycle for the overall system. While we recognize that some of the tree work may come as a shock to members, especially those in subdivisions with overhead utilities, it is necessary to provide the entire system the highest degree of reliability. We have and will continue to work with members to minimize impacts to their properties and potentially replace trees with suitable species planted in better proximity to overhead facilities.

Our department has worked hard to implement and test a replacement outage management system (OMS.) This new OMS provides many improvements and operational benefits for the co-op and membership. One of those benefits is an outage map that has been in high demand from our members, along with outage reporting and notifications through our mobile app, and texting features that will provide members with more information and resources regarding power outages. The OMS will also give us more accurate outage data, enabling us to measure reliability statistics for continuous improvement.

Summer came early to our service area, and our system set three new energy



demand peaks this year in June and July. With the 2.3% growth in electric services over the past year, Northcentral's load has now exceeded 300 megawatts of peak demand on TVA's system.

Much of this growth is driven by excessive heat, but also fueled by expansions of existing industries, new commercial and industrial projects, and a very active residential real estate market. We are constantly monitoring system growth and substation capacities to plan for future growth and energy demand.

Higher demand on service puts pressure on our material inventory and delivery times, also resulting in higher material and labor costs. Suppliers are forecasting some relief in 2023, however material constraints have been a challenge throughout the past year.

Northcentral continues with fiber deployment, passing more than 6,000 homes, installing over 250 miles of fiber, and serving nearly 1,800 internet subscribers. The "make ready" work and pole replacements done in preparation for the new overhead facilities is a dual benefit to the membership by improving system resiliency, reliability, and safety.

Lastly, to maintain lower wholesale power costs for members and provide a local source for green, renewable energy on our system, Northcentral entered into long-term power purchase agreements with Silicon Ranch. Renewable power will be sourced from 2 solar farms planned in Marshall County. The first is planned to be operational in late 2023 with the other expected online in the following year.







**Mark Nichols**

Director, Finance & Administration  
mnichols@northcentralelectric.com

## » Finance & Administration

**T**he steady growth of Northcentral's plant and services has us continually seeking new talent for our workforce. Over the past year, we added 16 new employees, bringing our total to 119 people serving our membership in various ways. Seven of these are dedicated to the work of our subsidiary, Northcentral Connect.

Our Customer Service team of 10 dedicated representatives handle a monthly average of 5,000 member calls, in addition to an average of 1,000 service orders per month.

At the end of the fiscal year, Northcentral hit a total of 34,335 meters served, an increase of 2.3% over the previous year.

Key highlights in Northcentral's financial performance are the addition of over \$23 million in electric plant, 78% of which is attributed to fiber. This growth was financed with only an \$8.3 million addition to our long-term debt and funded with no increase to our base electric rates. A key financial statistic to note is Northcentral's long-term debt to total assets is 21%, ranking us in the top 11% among other co-ops in the nation.

The past year brought record sales of 1.1 billion kilowatt hours, which also ranks in the top 11% in the nation among co-ops. This resulted in total electric sales revenue of \$124 million, a 13% increase from the previous year. Wholesale power cost to the Tennessee Valley Authority (TVA) also increased by 13% to \$91 million. Wholesale power cost represented 73% of electric sales revenue, meaning that 73 cents of every dollar that you paid last year was used to purchase wholesale power.

While our base rate was unchanged, TVA's fuel costs, which are a direct pass-through to your power bill, began to increase due to market conditions. Average fuel costs increased 38% from the previous fiscal year, and our members continue to face additional price pressures today.

As we expand services through Northcentral Connect, our Information Technology Department remains even more vigilant in protecting your data from breaches and attacks. They continue to stay ahead of attackers, preventing an average of more than 23,000 threats each month.

Northcentral strives for continuous innovation and improvement in the services we provide and doing so with prudent financial management and a high expectation of service to our members.



# › Safety & Loss Control

The pursuit of excellence in safety continues at Northcentral Electric Cooperative. Our goal of zero incidents in the workplace and in our community is driven by our safety values of **leadership, commitment, accountability, and training**. These values, combined with a serious attitude towards 100% of employees and members following 100% of the rules, 100% of the time guide our daily actions.

Over the past year Northcentral employees worked a combined 162,590 hours without a lost-time incident. Additionally, they drove cooperative vehicles a combined 555,421 miles without an at-fault accident. The year was a challenge with employees working in extreme weather conditions from ice to record-high temperatures and humidity, so these statistics are quite remarkable.

The safety of employees and members of Northcentral Electric Cooperative continues to be a core value and our greatest responsibility. The following trend analysis highlights our 2022 Safety Report Card and directly impact not only our insurance and workers compensation rates, but also those of our sister cooperatives across the state and nationally:

Days Away Restricted or  
Transferred (DART) - 2.03  
Incident Rate - 2.03  
Severity Rate - 4.05  
Lost Days - 2.03  
Work Experience Mode Trend - 0.74



**J.D. Cox**

Director, Safety & Loss Control  
[jcox@northcentralelectric.com](mailto:jcox@northcentralelectric.com)

The Safety and Loss Control Department performs multiple safety audits throughout the year to encourage safe work practices and ensure vehicles and equipment are inspected, maintained, and operated properly. The following audits and inspections were conducted over the past year:

**3,432 Job Briefings** were conducted to recognize any hazards associated with the jobs and to develop a safe work plan.

**166 Crew Inspections** were conducted to verify safe work practices and procedures.

**5,293 Vehicle Inspections** were performed to verify cooperative vehicles are maintained and operated properly.

Northcentral Electric Cooperative promotes safe excavating practices and procedures. Complying with the Mississippi 811 "call-before-you-dig" requirement helps ensure the safety of workers and the public. Calling for an underground locate also limits service interruptions and can help prevent costly damages to buried facilities. Northcentral Electric Cooperative responded to over 10,000 locate requests so far this year.

Northcentral Electric Cooperative's culture of safety extends to you, our members! If we can be a resource to help you or your organization make the same commitment to safety, please don't hesitate to reach out to me.



## › Marketing & Business Development

**N**orthcentral's service area continues to be on the radar for industry and site consultants looking for business-friendly, livable, and affordable places to do business. In partnership with TVA and our local and state development authorities, we were able to recruit over 600 new jobs and more than \$202 million in new capital investment in our area over the next five years. Working with existing industry, over 200 jobs will also be kept right here in our communities through retention or expansion efforts. These numbers don't include the commercial and residential development that contributes to the livability of our communities.

The industrial operations that we serve are integral in the global supply chain. New projects by Baxter International, Wal Mart Distribution, Elkay Manufacturing, and Noble Supply and Logistics were announced this year. Ardagh Group completed a major expansion, investing over \$74 million in their Olive Branch facility to keep up with the growing demand for slim aluminum beverage cans. Voyant Beauty recently retooled their Olive Branch facility to begin producing liquid soaps that are used in many major hotel chains in the United States.





Manufacturers and distributors continue to evaluate Marshall and DeSoto Counties as potential locations for their operations. In addition, the residential real estate market continued to grow with 16 new and expanded subdivisions to keep up with demand.

Northcentral continues to invest in our future leaders through volunteerism and involvement in our area schools. Eight graduating seniors in our service area were honored this year with college scholarships. Early this year we were able to include twelve area high school juniors in our Youth Leadership Program. These remarkable students spent three days in early March at the Cooperative Youth Leaders Workshop in Jackson. This summer, ten of these students experienced Youth Tour in Washington, D.C., for a six-day, all expense-paid tour of our nation's capital.

As a member-owned utility, one of our core cooperative principles is "Concern for Community." This principle was demonstrated in a number of ways, from employee volunteerism to holiday food distribution to our annual employee-funded family adoptions at Christmas. It is also evident in Northcentral's continuation of the Community Care Fund, a matching-grant program offered by the Tennessee Valley Authority (TVA) to address community needs. Northcentral and TVA each contributed \$40,000 last year, which greatly helped the efforts of Feeding Hearts Food Pantry, the Isaac Chapel Rosenwald Historical Museum and Education Center, and the Byhalia Old School Commons project.



**Michael Bellipanni**

Director, Marketing & Business  
Development

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Our fiber-to-the-home project with Northcentral Connect has been a major focus over the past year. Internet service of up to 1 Gig speeds is now available in and around Byhalia. It is very rewarding to see that 64% of members in the Ingrams Mill community are now taking service from Northcentral Connect. While we will never be satisfied with the speed of our fiber deployment, it will be coming to you in time. Your patience is appreciated. Miller Road, Cedar View, south Olive Branch, Barton, and Center Hill areas: you are on deck!



**Northcentral**  
**Electric Cooperative**™