

D R A F T
To be approved by Members at 2018 Annual Meeting

COWETA-FAYETTE ELECTRIC MEMBERSHIP CORPORATION

ANNUAL MEETING OF MEMBERS

October 14, 2017

The 70th Annual Meeting of Members of the Coweta-Fayette Electric Membership Corporation was held at the headquarters office of the Coweta-Fayette EMC in Palmetto, Georgia, on October 14, 2017 beginning at 10:00 a.m. in accordance with the bylaws of the Corporation and a notice of the Annual Meeting mailed by the Secretary of the Corporation.

Attorney Douglas B. Warner called the meeting to order. The agenda, published in the Official Notice, was adopted for the meeting.

J. Neal Shepard, Jr., Secretary of the Coweta-Fayette EMC Board of Directors, reported that 1462 members were registered and verified that a quorum was present. A list of registered members is filed with the minutes as Exhibit A.

Dr. Mel Blackaby, Senior Pastor, First Baptist Church, Jonesboro, gave the invocation.

There was a drawing for prizes donated by numerous suppliers and contributors.

James W. "Jim" Fulton, III, Chairman of the Board of Coweta-Fayette EMC, welcomed everyone to the 2017 Annual Meeting and shared highlights of the previous year's accomplishments. The co-op has grown to over 78,625 members which makes CFEMC the 8th largest co-op in the state of Georgia and the top 50 largest in the entire country. To stay ahead of this and future growth, as well as "game changing" advances in technology, energy accessibility and availability and government regulations, CFEMC reviewed and updated its strategic plan. The outside independent audit report shows the co-op continues to be in a strong financial position and operating ratios continue to be lower than co-ops of similar size throughout the nation and lower than average rates of most others in Georgia.

As one of the 42 member-owners of Oglethorpe Power Corporation, CFEMC supported Oglethorpe's decision to move forward with the completion of Vogtle Units 3 and 4 because it is felt that long-term stability of power and cost was paramount. The final decision rests with the Georgia Public Service Commission.

He emphasized the major purpose of CFEMC is to provide its members with reliable, safe and affordable electric service and to meet future energy requirements from all sources. He recognized and commended the CFEMC staff and employees for the great work they do and especially for restoration of service in record time following Hurricane Irma. He recognized the dedicated work of the True Natural Gas subsidiary group with consistently having the lowest natural gas rates in the state. The Relyco subsidiary group does an outstanding job with security and home automation.

Chairman Fulton gave special recognition to three individuals: Sheriff Ross Henry of Heard County for 15 years of service as Director, Seat 1, of all service area except Coweta & Fayette Counties. He also serves as Chairman of the Board of Directors of our Relyco subsidiary. Also, Attorneys Brad Sears and Doug Warner have served as corporate counsel for the past 25 years. Board Chairman Fulton pledged the Board's continued commitment to the members to always be available, ever alert and always moving forward.

Annual Meeting Chairman Warner introduced the Coweta-Fayette EMC Board of Directors, the corporate counsel and the Relyco Board. He then introduced the special guests and President & CEO Chris Stephens.

CEO Stephens greeted, in Spanish, special guests from CFEMC's Sister Co-op in Costa Rica—Coopeguanacaste. After introducing them, he talked about the fourteen-year relationship and exchange program CFEMC has shared with Coopeguanacaste to learn and help teach skills through shared experiences with each other. CFEMC has coordinated and led fundraising events to send linemen to Costa Rica to help build service to remote villages and schools that would never receive electricity without this kind of assistance. This relationship has generated much more than knowledge, but a friendship that is cherished. He gave special thanks to interpreters Bea Villarreal, Maggie Reed and Dustin McNeely.

J. Neal Shepard, Jr., Chairman of the True Natural Gas Board of Directors, introduced members of this Board. He gave a report of the "for profit" company with its sole stockholder being Coweta-Fayette EMC. TNG is celebrating its fifteenth anniversary and also celebrating today the acquisition of all the Fireside Natural Gas' residential customers. This action makes TNG now the fourth largest gas marketer in the state with record low rates. They provide natural gas to the largest used oil re-refinery in the Southeast and many other major business customers. They consistently receive high marks for customer service. Many of our natural gas customers are also member/owners of Coweta-Fayette EMC. Marketing partners include Sawnee EMC based in Cumming covering Forsyth, Cherokee and Hall counties and Newnan Utilities. He was joined on stage by CFEMC Chairman Fulton and a "big" check in the amount of \$100,000 was presented to Coweta-Fayette EMC by True Natural Gas representing a "dividend" to its sole shareholder, Coweta-Fayette EMC, which will go toward reducing power costs to EMC members. This brings the total to \$1,492,420 money returned to the EMC.

Glenn Valencia, President of the Coweta-Fayette Trust Board that administers the Operation Round-Up program, introduced those members of the Coweta-Fayette Trust Board of Directors who were present. There was a drawing for those who registered at the Operation Round-Up booth for a \$100 donation to go to their favorite non-profit charity. He gave a report about the Coweta-Fayette Trust Board's role and the applications and contributions made through Operation Round Up. As an example, he told the story of one particular recipient who was legally blind. She and her grandparents had raised \$12,800 through her church and the community for special glasses with new technology that would help her to see 20/20. They applied to Operation Round Up for the last \$2,300.00 that was needed to purchase the glasses and Trust Board voted their approval. Now this young woman can function and live a normal life.

Chairman Warner read the Official Notice of the Annual Meeting. The Chairman directed the Secretary to annex to the minutes a copy of the notice of the meeting, which is attached hereto, and made a part hereof.

Upon motion made and duly seconded, and by unanimous consent, the reading of the minutes of the 2016 Annual Meeting of members were adopted and dispensed with.

Chairman Warner asked for questions or comments. There being none, the meeting continued.

CEO Stephens welcomed and thanked everyone for coming. He shared how the EMC's future vision is designed to help our communities grow and prosper. He used three words to describe Coweta-Fayette EMC: Trusted, Dependable, Innovative. The average residential member uses almost 1,300 kilowatt hours each month or over 15,000 kilowatt hours per year. In 2016 CFEMC delivered over 1.5 billion kilowatt hours to homes and businesses. Dependability matters. In 2016 outage time per member was 92 minutes—under the state average of 96.

CFEMC can be trusted to keep rates low and control costs. Our rates rank 22nd lowest out of the 94 other utilities in the state. And, any excess revenues above operational costs are allocated back to the members in proportion to their usage as capital credits. These capital credits are refunded when our financial condition allows. Thanks to the financial strength of CFEMC, over \$3.4 million in capital credit refunds were returned this year for the years 1994, 1995 and 1996.

Innovation pays dividends through our investments in technology and this was evident during the recent Hurricane Irma. In addition to the great work by employees and help from others, the use of technology assisted us in restoring electric service to 40,000 members within 72 hours. Our mapping and outage management system helped pinpoint problems. With the addition of AMI—our advance metering infrastructure—outages can be tracked. This solution also allows members to monitor their energy usage online through our website and mobile app. And, technology keeps us connected through social media.

CFEMC has a diverse energy portfolio—including solar—to meet growing energy needs. We strive to be your energy expert by providing value-added services from our two wholly-owned subsidiaries, True Natural Gas (TNG) and Relyco Resources. TNG added over 21,000 additional residential customers through a recent acquisition from Fireside Natural Gas while maintaining rates that are consistently among the lowest in the state. Relyco maintains its record of reliable security services, home automation solutions, and energy efficiency home improvements. Coweta-Fayette EMC remains committed to doing everything possible to keep the lights on and our communities strong.

There were drawings for prizes donated by numerous suppliers and contributors.

Since there was no old business to come before the meeting, Chairman Warner asked for a motion to adopt the reports of the meeting. A motion was made and seconded and the reports were unanimously adopted.

The following employee/director service awards were presented:

5 Years

Ben Daniel
Jason Edmondson
Jamie Guy
Fallon Johnson
Brad McGinnis
Jeff Mitchell
Marsha Oliver

10 Years

Diane Brown
Dee Payton
Alfred Perry
Lee Phillips
W. F. Woodard

15 Years

Curtis Baker
Andrew Betts, Jr.
Willie Freeman
Rick Owens
Jay Sewell
Sharon Warner
Jessica Williams
Douglas Worley
Ross Henry (Director)

20 Years

Jerome Arrington
Dale Folds
Daniel Hart
Tammy Rogers

25 Years

Jody Hand
Marsha McDaniel
Brad Sears (Legal Counsel)
Doug Warner (Legal Counsel)

30 Years

Donna Bradley
Phil Gaddy
Bobby Smith
David Tillery

Chairman Warner read the report of the Nominating Committee that included the names of three directors who were nominated. This committee was appointed by the Board of Directors of the Cooperative pursuant to the bylaws. These nominees are: Mr. Wayne "Ross" Henry, Seat 1, all service area except Coweta & Fayette Counties; Mr. Elwood Thompson, Seat 2, Coweta County; and Mr. James W. "Jim" Fulton, III, Seat 3, Fayette County. There being no opposition, Chairman Warner declared them duly elected to succeed themselves for a three-year term in accordance with Section 3.03 of the bylaws.

The lucky winner of the 12 months Relyco basic residential security monitoring donated by Relyco was Robert Bolton. Laurie Wagner won a gas grill as the True Natural Gas prize. Mary Shoemake was the Coweta-Fayette EMC Grand Prize winner of \$1,000 credit on her electric bill.

Chairman Warner announced there was no further business to come before the meeting. Upon motion made and duly seconded, the meeting was adjourned.