

Member Appreciation Day

2018

and Annual Meeting



Coweta-Fayette



# powerlines

## Annual Report 2018



Chris Stephens  
CEO



James W. Fulton, III  
Chairman

Coweta-Fayette EMC is proud to have provided reliable electric service to you, our members, at a reasonable price since 1945. That was our commitment then, and remains true today. With our 71<sup>st</sup> annual meeting and member appreciation day just around the corner, I would like to reflect on a few of the past years highlights.

Earlier this year, after 44 year's of dedicated service, one of your directors and greatest advocates, Willie Clements, retired from your Board of Directors. Willie provided great leadership and wisdom which will be missed. Coweta County's Donald E. Harris was appointed to fill his unexpired term. Don is a local businessman who brings great insight and wisdom to your Board.

As a result of a strong economy, we have experienced increases in both residential and commercial growth. Over the past twelve months, we added over 1,400 new services, a growth rate of 1.7%. To help promote our service territory for quality growth and development, our Economic Development team works closely and serves in leadership positions with our local chambers of commerce and economic development authorities.

Our Engineering and Operations group continues to expand our automation solutions and vegetation management programs, helping reduce the time you are without power. 2017 brought us Hurricane Irma resulting in 40,000-member outages which were restored in 72 hours. Not considering the effects of Irma, we ended 2017 with 110 minutes of outage per consumer compared to the state average of all other cooperatives of 117 minutes. In addition, we began using drones to help inspect our lines and substations. This technology allows us to safely and efficiently fly closely above energized equipment to identify potential problems using thermal imaging. This helps reduce potential

outages.

Total storm related costs of Hurricane Irma neared \$1.2 million. Our service area was declared a natural disaster allowing us to qualify for FEMA funds to help recover the cost. With a coordinated effort led by our Finance Department, I am pleased to tell you CFEMC has been reimbursed nearly \$700 thousand.

True Natural Gas, our wholly-owned subsidiary, continues to thrive. In October 2017, we acquired Fireside Natural Gas' residential accounts. This acquisition was completed over a 30-day period. Our phone calls increased by almost 40% during that time and our total number of accounts billed increased by nearly 15%. This is a testament to the professionalism of our Customer Service Agents and Billing Department Representatives.

Last year, I reported on our aging workforce. This hasn't changed and five of our great employees retired last year, taking with them 138 years of knowledge. With the guidance of our Admin/HR group, we completed a workforce plan that included succession planning for critical positions nearing retirement to combat the loss of knowledge. The overall company structure was taken into consideration to assure efficiency. Our Admin/HR's strategy has been to hire the right people so we can develop and promote people within the organization.

With all the accomplishments and adversity during 2017, one of the most compelling successes was our employees achieving a perfect score of 100% on our safety accreditation score. This is a testament to the dedication of all our employees. At CFEMC, our number one responsibility is the safety of our employees and making sure they go home to their loved ones every day.

CFEMC continues to seek solutions beneficial to you. This year, your board approved an additional 15 MWs of solar that will come on line over the next 3 years. This will bring our total solar capacity to 40 MWs, providing enough energy to serve nearly 5,000 homes.

Here at CFEMC, your Board of Directors and employees work tirelessly to provide you the safe, reliable, reasonably priced electricity you expect. We hope you will join us on October 13th so we can personally express our appreciation for you.

Come join the fun and learn more about your cooperative during the **Member Appreciation Day and Annual Meeting**. The event will be held on **Saturday, October 13, from 9a.m. - Noon** at the **EMC headquarters** located at 807 Collinsworth Road, Palmetto.

**Fun Activities** for all ages include: games and crafts for children , bingo for adults, and door prizes. You'll also find information on Green Power, **Operation Round Up**, Touchstone Energy, **Relyco Security** and **True Natural Gas**.

**Concessions** including Chick-fil-A biscuits, popcorn, cotton candy and soft drinks will be available free of charge.



**Prizes** generously donated by vendors will be given away during the meeting. Every registered member will receive a **stadium seat and blanket** just for registering.

One lucky member will walk away with the **grand prize of \$1,000 electric bill credit!** Each EMC member will have his/her name in the drawing and you must be present to win. **Registration closes at 11 a.m.**, so be sure to arrive early.



Take part in the **Health Fair**, provided by **Piedmont Healthcare** professionals. Lots of wellness information on a variety of topics will be available.



**Parking** is located at Northgate High School, 3220 Fischer Road, Newnan. Buses will transport you to and from EMC headquarters. For our disabled members, spaces located in front of the EMC entrance on Collinsworth Road will be available. Employees will be on site to assist you.

**For more information visit [www.utility.org](http://www.utility.org).**



### STATEMENT OF NONDISCRIMINATION

Coweta Fayette EMC is an equal opportunity provider and employer. If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

## Balance Sheet

WHAT WE OWN	2017
Lines, Office Building and Operation Equipment	\$348,310,104
Less: Reserve for Depreciation	\$117,614,387
	\$230,695,717
General - Cash	\$4,814,352
Commerical Paper	\$0
Investments in Associated Organizations - Patronage Capital	\$74,427,259
Receivables	\$13,284,555
Materials and Supplies	\$2,467,559
Prepaid Expenses and Other Accrued Assets	\$299,852
Deferred Debits	\$0
<b>TOTAL OF WHAT WE OWN</b>	<b>\$325,989,294</b>

WHAT WE OWE	
To the Government - RUS/FFB	\$130,639,737
Other Cooperative Lenders - CFC	\$13,461,780
	\$144,101,517

To Consumers - Deposits	\$3,602,479
To Material Suppliers (Notes & Accounts Payable)	\$21,094,761
To Accrued Taxes & Interest	\$5,621,668
Deferred Credits and Non Current Liabilities	\$5,493,411

OUR EQUITY IN ABOVE ASSETS	
Membership Fees	\$1,696,465
Patronage Capital & Other Equities	\$144,378,993
<b>TOTAL OF WHAT WE OWE</b>	<b>\$325,989,294</b>

## Statistics of Operation

	2016	2017
<b>WHAT WE TOOK IN</b>		
Operating Revenue and Patronage Capital	\$154,312,779	\$160,526,957

WHAT WE PAID OUT		
Operating Revenue Deductions		
Operation expense:		
Cost of Power	\$102,928,429	\$110,014,258
Distribution expenses	\$7,902,720	\$8,131,586
Consumer accounts expense	\$4,895,137	\$4,798,158
Customer service & informational expense	\$1,451,542	\$1,446,870
Sales expense	\$462,181	\$572,447
Administrative & general expense	\$5,578,939	\$5,919,371
Maintenance expense:		
Distribution system	\$6,384,359	\$8,122,970
General plant	\$937,931	\$936,057
Depreciation and amortization	\$9,860,531	\$10,250,389
Interest on outstanding debt	\$6,320,165	\$6,497,023
Total cost of Electric Services	\$146,721,934	\$156,689,129

WHAT WE HAD LEFT		
Operating Margins and Patronage Capital	\$7,590,845	\$3,837,828
Non-Operating Margins-Other	\$2,669,928	\$373,428

Total Operating and Non-Operating Margins	\$10,260,773	\$4,211,256
OEMC AND OTHER Patronage capital (CFC&GRESKO)	\$3,536,383	\$3,798,263

Total Operating and Non-Operating Margns Including OEMC and Other Patronage Capitals (CFC & GRESKO)	\$13,797,156	\$8,009,519
-----------------------------------------------------------------------------------------------------	--------------	-------------

### BOARD OF DIRECTORS

James. W. Fulton, III, Chairman • Therol Brown, Vice Chairman • J. Neal Shepard Jr., Secretary-Treasurer  
Donald Harris • Ross Henry • Daniel C. Langford, Jr. • Alice J. Mallory • Elwood Thompson  
Mildred A. Winkles

**66.8**

Two-thirds of every dollar you send to CFEMC goes toward power cost.

**63**

broken poles caused by Irma

**6,366**

is the number of miles of line connecting CFEMC members to the grid.

**6.57%**

Capital Credit allocation factor for 2017

**27**

scholarships awarded

**1,194**

the amount of kilowatt hours the average CFEMC member uses per month.

**500**

miles of right of way trimmed

**80,497**

the number of meters served by CFEMC. We've grown by 7% since 2012.

**\$23.7M**  
capital credits issued since 2000