

D R A F T
To be approved by Members at 2019 Annual Meeting

COWETA-FAYETTE ELECTRIC MEMBERSHIP CORPORATION

ANNUAL MEETING OF MEMBERS

October 13, 2018

The 71st 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 13, 2018 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 1131 members were registered and verified that a quorum was present. A list of registered members is filed with the minutes as Exhibit A.

Reverend Alan Mathura, Retired Senior Pastor, South Metro Ministries, Sharpsburg, 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 2018 Annual Meeting and shared highlights and events of the previous year. Director Willie Clements of Grantville retired after 44 years of dedicated service to the Board. Donald E Harris of Sharpsburg was appointed to complete the unexpired term of Seat 4, Coweta County.

He reported that the co-op continues to be in a very strong financial position and rates continue to be lower than the average rates of co-ops of similar size and local competitors. We continue to pay off long term debt, build equity and return capital credit to members. Since the last annual meeting, CFEMC has grown to over 84,000 active services which ranks us the 9th largest co-op in Georgia and in the top 50 largest in the U.S. The co-op strives to stay ahead of this and future growth by utilizing the latest advances in technology, energy accessibility and availability. Our subsidiaries, Relyco and True Natural Gas, continue to grow successfully.

Whether it is sponsoring local youth members in the annual NRECA Washington Youth Tour or helping our fellow co-ops to restore and rebuild the devastation caused by Hurricane Michael recently in South Georgia, or participating in NRECA’s International projects in Costa Rica and Bolivia, CFEMC and its employees stand ready to serve. He recognized the staff and employees for their tireless dedication and expressed appreciation to all the members who chose to attend the 2018 Annual Meeting.

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 welcomed (in Spanish) the special guests from CFEMC’s Sister Co-op in Costa Rica—Coopeguanacaste. This year marks the fifteen-year relationship and exchange program CFEMC has shared with Coopeguanacaste. Through this NRECA International program, we learn and help teach skills through shared experiences with each other. For more than 20 years CFEMC has coordinated and led fundraising events to send linemen to Costa Rica, Guatemala, and Bolivia to help build service to remote villages and schools that would never receive electricity without this kind of assistance.

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 markets natural gas throughout Georgia with the help of its marketing partners, Sawnee EMC in Cumming, Georgia, and locally with Newnan Utilities. TNG’s gas customers enjoy some of the lowest natural gas prices in the state and the best in customer service. More than 25,000 CFEMC electric members are also TNG gas customers. TNG is extremely proud of the successes with its business customers. He was joined on stage by CFEMC Chairman Fulton who accepted a check in the amount of \$50,000 from True Natural Gas representing a “dividend” to its sole shareholder, Coweta-Fayette EMC. The dividend will go toward reducing power costs to EMC members. A total of \$1,542,420 has now been returned to the EMC.

Glenn Valencia, President of the Coweta-Fayette Trust Board that administers the Operation Round-Up program, introduced members of the Coweta-Fayette Trust Board of Directors who were present. Since 1993 the program has funded over \$5 million back into the community, or as he calls it, “neighbors helping neighbors.” He told the story of a girl with muscular dystrophy who faced a challenge going to college because she did not have a way to transport her power wheelchair. Thanks to a grant from Coweta-Fayette EMC’s Operation Round-Up program, she met that challenge and graduated with honors with a degree in biology and is now pursuing her Ph.D. Her story is just one example of how members have helped change lives with their round-up donations. The average amount is about \$6.00 per year. He urged everyone to sign up. Those who signed up to participate in ORU were included in a drawing for a \$100 credit on their electric bill. Another drawing for those who registered at the Operation Round-Up booth earned two lucky winners a \$100 donation to their favorite non-profit charity.

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 2017 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 everyone and expressed appreciation for their coming. He presented a “state of the cooperative” report beginning with, “Your EMC is growing.” The strong economy has produced a steady growth in new residential and commercial services. CFEMC also recruited two large commercial and industrial customer choice loads this year.

“Your EMC is financially strong.” If revenues exceed our operational costs, this excess is allocated to the member in proportion to their usage as *capital credits*. This year nearly \$3.3 million in capital credits were refunded to members. More than \$27 million has been returned since 2000.

“Your EMC is reliable.” Employees strive to minimize the amount of time power is out, utilizing technology that now includes drones to inspect lines and substations to identify potential problems before they cause an outage.

“Your EMC is safe.” In 2018 employees achieved a perfect score of 100% on our safety accreditation. CEO Stephens said that safety of employees is his number one priority.

“Your EMC is secure.” There has been an increasing emphasis on the security of our data networks and distribution system, both cyber and physical. Our dedicated IT staff managers have protection schemes in place for the detection, response and recovery of any security threats with similar systems in the field monitoring critical infrastructure, including cameras. We work closely with our generation and transmission company who must comply with the North American Electric Reliability Council Critical Infrastructure Protection Standards to protect the electric grid across North America.

“Your EMC is dependable.” CFEMC has a diverse mix of energy resources that includes natural gas, coal, hydro, renewables and nuclear. To maintain our diversity 10 years ago we made the decision to join other members of Oglethorpe Power Corporation (OPC) and participate in the construction of Units 3 and 4 at Plant Vogtle. At that time we were forecasting growth rates of nearly 3,000 new services per year. The electric industry was facing increasing carbon legislation and EPA regulations on existing coal plants. The cost of natural gas was rapidly increasing. A lot has happened since then. The Westinghouse contractor at Plant Vogtle, who had provided us a fixed-price contract, filed bankruptcy. Southern Company/Southern Nuclear took over as contractor. Since then project costs have continued to increase which recently triggered a vote on whether or not to continue the project. With a pivotal decision at hand, your board of directors and the EMC staff spoke up for you, our members. We stressed to Oglethorpe Power that we could not continue to move forward with an open checkbook. Through tense negotiations, OPC prevailed in getting concessions that protect you, the ratepayer. The new units are expected to be fully operational by the fall of 2022. These carbon-free units will bring diversity and dependability to our fuel mix for 80 years.

“Your EMC is competitive.” The 2018 Summer Georgia Public Service Commission’s residential rate comparison shows Coweta-Fayette EMC’s rates ranked 13th lowest out of the 41 other Georgia cooperatives and 23rd lowest out of 94 other electric utilities in the state. Georgia Power ranked 67th. Our cost per kilowatt hour of 11.6 cents for the average user is nearly one cent lower than the state average of 12.5 cents. We work hard to be good stewards of your money.

“Your EMC is committed to our community.” It means actively recruiting and fostering economic development in new and existing businesses. It also shows up in our programs through Operation Round Up this year--\$58,000 in scholarships for students, \$36,000 in Bright Idea Teacher Grants and \$239,000 contributed to charitable organizations. More than \$5 million has been distributed within our community since 1993 by the Operation Round Up Trust Board.

“Your EMC is committed to offering you value-added services.” Technology is changing how we work and how we live. The prevalence of smart phone apps and “smart” technology for the home is increasing. Greater interest is being shown in electric vehicles. Your EMC, through our subsidiary Relyco, is uniquely positioned to meet these growing needs. True Natural Gas, our other wholly-owned subsidiary, continues to grow and maintains rates that are among the lowest in the state.

Behind this success, CEO Stephens said, is our Board of Directors and dedicated employees. They are mission-oriented and put the members first. We will continue to strive to enrich the lives of our members and those living and working in the communities where we serve—now and in the future.

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

Cathy Bryant
Moselle Heath
Wendy Mortensen
Denise Tenney
Josh Watson
Jessica Westman
Shane Williams

10 Years

Wes Abbott
Taylor Alston
Deborah Elkins
Wanda Brown
Josh Brown
Chad Duncan
John Dunn

15 Years

Shanda Cook
Shea Lasseter
Shamika Lastie
Joshua Minnifield
Megan Phillips
Melissa Walden
James Fulton (Director)

20 Years

Jackie Caldwell
 Jon Cauthen
 Jay Coker
 Rusty Hart
 Michael Hill

40 Years

Dwayne Howell
 Pat Long
 Rusty Rainey
 David Spradlin
 Stanley Sitzler

Jennifer Jones

Steven Robinson
 Dawn Williams

30 Years

Willie Champion
 Bill Jones
 Greg Perry
 Bubba Proctor
 Mark Rogers
 Anthony Walker
 Barry Wallace

25 Years

Teresa Johnson
 Theodosia Whitten

35 Years

Darrell Sewell

45 Years

Roger Bonner
 Johnny Turner
 Wendell Webb

Pursuant to notice as required by the Bylaws of the Coweta-Fayette Electric Membership Corporation, a meeting of the Nominating Committee was held on August 8, 2018. This committee was appointed by the Board of Directors of the Cooperative pursuant to the bylaws. Their purpose was to nominate directors for three-year terms each to fill the expired terms of Mrs. Mildred Winkles, Seat 3, Coweta County, Mr. Donald Harris, Seat 4, Coweta County, and Ms. Alice Mallory, Seat 4, Fayette County. Chairman Warner read the full report of the Nominating Committee, a copy of which is attached hereto, and made a part of these minutes. The following three persons were nominated by the Committee: Mildred Winkles for Seat 3, Coweta County; Mr. Donald Harris for Seat 4, Coweta County; and Ms. Alice Mallory for Seat 4, Fayette County. There being no other nominations by petition or otherwise pursuant to the bylaws, Chairman Warner declared them duly elected.

The lucky winner of the 12 months Relyco basic residential security monitoring donated by Relyco was Patrick Gilbert. Mary Geter won a gas grill as the True Natural Gas prize. Arliss Smallwood was the Coweta-Fayette EMC Grand Prize winner of \$1,000 credit on his 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.

Attachments: Official Notice of the 2018 Coweta-Fayette EMC Annual Meeting
 2018 Nominating Committee Report



*Please bring this
notice with you to
be eligible for your
member gift.*

Clip
here



Official Notice

**Annual Members' Meeting of Coweta-Fayette
Electric Membership Corporation
Palmetto, Georgia October 13, 2018**

YOU ARE HEREBY notified that the Annual Meeting of the Members of the Coweta-Fayette Electric Membership Corporation will be held on Saturday, October 13, at the Coweta-Fayette EMC office near Palmetto. Action will be taken on the following:

1. The report of Officers, Directors, and Committees.
2. Change of bylaws that might come before the members.
3. All other business which may come before the meeting or any adjournment thereof.
4. The election of three Directors of the Cooperative for a term of three (3) years. The nominating process set forth in the bylaws yielded only one nominee for each of the three director positions. The following are the three Directors nominated by the Nominating Committee and they shall be deemed elected in accordance with Section 3.03 of the Bylaws.

Seat 3
Coweta County
Mildred A. Winkles

Seat 4
Coweta County
Donald E. Harris

Seat 4
Fayette County
Alice J. Mallory

Registration will begin at 8:30 a.m. and **end at 11:00 a.m.**

*J. Neal Shepard, Jr., Secretary-Treasurer,
Coweta-Fayette Electric Membership Corporation*

Important!

Bring the top section of this page to the Annual Members' Meeting on Saturday, October 13, 2018, and present it at the registration desk. This panel will be your means of participating in the registration process. Only the name appearing above the address on this page will be allowed to participate in the drawing of prizes. Door prizes will be awarded and you must be present to win.



***Coweta-Fayette
Electric Membership Corporation***

807 Collinsworth Road • Palmetto, Georgia 30268-9442 • Phone 770-502-0226 • www.utility.org

August 8, 2018

GEORGIA, COWETA COUNTY

Pursuant to a notice as required by the Bylaws of the Coweta-Fayette Electric Membership Corporation, a meeting of the Nominating Committee, composed of Mr. Dorris E. Adams, Ms. Frances Coggin, Mr. T. R. Croft, Mr. C. Leslie Dooley, Mr. Darrell K. Fowler, Mr. Norman Perry and Mr. R. Todd Rainwater met at the office of the Cooperative located at 807 Collinsworth Road, Palmetto, Georgia, on August 8, 2018 at 10:30 a.m. for the purpose of nominating three directors for three-year terms, all in accordance with the provision of the Bylaws of the Corporation.

Upon motion made and duly seconded and unanimously adopted by the Nominating Committee, Mr. R. Todd Rainwater was elected Chairman and Mr. Norman Perry was elected Secretary.

The meeting was called to order by Chairman Rainwater. Discussion followed with reference to nominating three directors for three-year terms each to fill the terms of Mrs. Mildred Winkles, Seat 3, Coweta County, Mr. Donald Harris, Seat 4, Coweta County; and Ms. Alice Mallory, Seat 4, Fayette County, whose terms expire October 13, 2018. Opposing Donald Harris for Seat 4, Coweta County, was Pamela N. Lee.

Upon motions duly made, seconded and unanimously adopted by the Nominating Committee, Mrs. Mildred Winkles, Seat 3, Coweta County, Mr. Donald Harris, Seat 4, Coweta County; and Ms. Alice Mallory, Seat 4, Fayette County, were nominated to serve as directors of the Coweta-Fayette Electric Membership Corporation for three-year terms each.

There being no further business to come before the Committee, upon motion made and duly seconded, the meeting was adjourned.

A handwritten signature in blue ink that reads 'R. Todd Rainwater'. The signature is written in a cursive, flowing style.

R. Todd Rainwater, Chairman
2018 Nominating Committee

S E A L



***Coweta-Fayette
Electric Membership Corporation***

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August 8, 2018

I, Norman Perry, Secretary of the Nominating Committee, do hereby certify that the attached is a true and correct copy of the minutes of the meeting held by the Nominating Committee at the office of the Cooperative on August 8, 2018, in accordance with the provisions of the Bylaws of the Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Cooperative, this 8th day of August, 2018.

A handwritten signature in blue ink, appearing to read 'Norman Perry', is written over a horizontal line.

Norman Perry, Secretary
2018 Nominating Committee

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