

**D R A F T**  
**To be approved by Members at 2017 Annual Meeting**

COWETA-FAYETTE ELECTRIC MEMBERSHIP CORPORATION

ANNUAL MEETING OF MEMBERS

October 8, 2016

The 69th 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 8, 2016 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 C. Bradford Sears, Jr., 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 1036 members were registered and verified that a quorum was present. A list of registered members is filed with the minutes as Exhibit A.

Dr. John Riley, Pastor, Macedonia Baptist Church, Newnan, 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 2016 Annual Meeting. He recognized Kenneth Spaller of Brooks who announced his retirement this year from the CFEMC Board after 51 years of service representing Fayette County. At the time of his retirement Mr. Spaller was the longest serving active director in Georgia. Mr. Dan Langford, Jr., the current mayor of Brooks, was appointed to replace Mr. Spaller.

Chairman Fulton pointed out some of the highlights that the EMC accomplished this past year. This included the renegotiated wholesale power agreement that will save the members over \$18 million in the next 10 years. CFEMC continues its great international partnership with our sister co-op in Coopeguanacaste, Costa Rica, sharing in various work projects with them this past year. A delegation from Coopeguanacaste was introduced later in the meeting.

For the 37<sup>th</sup> year CFEMC sponsored two youth members to attend the NRECA Youth Tour in Washington DC where they learned leadership skills, observed how government works and the importance of our grassroots participation.

Chairman Fulton reported that Green Power EMC and several other Georgia co-ops will bring on line this year a utility scale solar farm in Hazlehurst, Georgia, which will eventually supply 52 megawatts of solar power.

CFEMC continues to be in a very strong financial position and our rates and operating ratios continue to be lower than co-ops of similar size throughout the nation and state of Georgia.

The Board, staff and employees continue to implement our strategic business plan that positions the co-op to best serve the future needs of our members and employees. He praised the Board and management

staff of the co-op for their leadership. Through efficient budgeting and cost controls, and favorable energy prices this year, the Wholesale Power Cost Adjustment on electric bills will be reduced through the remainder of 2016.

He recognized the dedicated EMC employees and the two subsidiaries, Relyco and True National Gas. Special recognition was given to two directors who are receiving service awards: Therol Brown for 10 years of service representing Seat 1, Fayette County, and Willie Clements for 40 years of service as Director of Seat 4, Coweta County. Chairman Fulton pledged the Board's continued commitment to be the eyes and ears for the members of CFEMC.

Annual Meeting Chairman Sears introduced the Coweta-Fayette EMC Board of Directors, the corporate counsel and the Relyco Board. He then introduced the special guests and 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 thirteen-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 has improved the quality of life, education and enhanced economic development by allowing the residents to create business within these communities. This relationship has generated much more than knowledge, but a friendship that is cherished. He also introduced CFEMC employees, Maggie Reed and Beatriz Villarreal, who served as interpreters for the visitors.

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. He was joined on stage by CFEMC Chairman Fulton and a "big" check in the amount of \$235,000 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 \$1,392,420 money returned to the EMC. The gas company was established fourteen years ago to continue to develop CFEMC as the "energy provider of choice." Our natural gas pricing is the lowest in the state. Today the greatest percentage of our natural gas customers are also member/owners of Coweta-Fayette EMC. Our marketing partners are Sawnee EMC based in Cumming covering Forsyth, Cherokee and Hall counties and Newnan Utilities. We consistently receive high marks for our customer service by our customers and the Georgia PSC.

Robert "Bob" Reeves, 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. He gave a report about the Coweta-Fayette Trust Board's role and the applications and contributions made through Operation Round Up. 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.

Chairman Sears read the Official Notice of the Annual Meeting. The Chairman directed the Secretary to annex to the minutes of the meeting 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 2015 Annual Meeting of members were adopted and dispensed with.

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

CEO Stephens welcomed and thanked everyone for coming. He mentioned the impact of Hurricane Matthew in the past few days. Cooperatives step up as first responders by helping those in need. As cooperatives have assisted us in times of crisis, CFEMC sent crews to help restore power on the Georgia coast. The EMC's greatest assets are its employees.

Emphasis continues to be on three things: 1) Commitment to members, 2) commitment to low costs of services and rates, and 3) commitment to our community. A "member" is not a customer. A member has the opportunity to elect fellow members as representatives on the board of directors to look out for the members' best interest.

Other advantages include competitive rates. The Georgia Public Service Commission's 2016 summer residential rate comparisons ranked CFEMC 16<sup>th</sup> lowest out of 94 electric utilities statewide for average use of 1500 kWh/month. This could change as a result of the EPA's regulations known as the Clean Power Plan which will lead to increased purchased power cost. CFEMC cares about the environment, but we also care about protecting members' rates. To keep a diverse portfolio and meet ever-increasing regulatory demands, CFEMC elected to purchase 10 megawatts of solar generation that will be online by the end of the year—enough energy to power 7,500 homes. We also participate in ownership of two new nuclear units at Plant Vogtle.

As for reliability, CFEMC member outage time is less than the state average and advancements in technology allow us to analyze the status of the system in real time and make decisions to isolate problems.

Another strength is our greatest asset, our employees and their safety. This starts with recruiting the best people and continuing to offer education advancement opportunities. We earned a perfect score on our most recent safety accreditation and will continue to look for ways to learn and improve.

One of the greatest aspects of membership is the level of commitment to the communities we serve. CFEMC's community support involves local charities, education systems, economic development authorities, chambers of commerce and others. Employees have stepped up and volunteered time and money benefiting many charities within our community. Members can contribute by participating in Operation Round Up.

Members receive beneficial services like those from our two wholly-owned subsidiaries, True Natural Gas and Relyco Resources with reliable security and home automation.

And, members also receive a return on your investment in CFEMC. Over \$20 million has been returned since 2000 with \$3.7 million was refunded just this month.

CFEMC joined electric cooperatives across America by participating in "Co-ops Vote" campaign to help get out the vote and boost turnout to ensure our voices are heard on Election Day.

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

Since there was no old business to come before the meeting, Chairman Sears 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**

Jeremy Brown  
Gloria Franks  
Adella Grant  
Zack Kent  
Carol Lewis  
Dell McWaters  
Teresa Proctor  
David Sales  
Jason Sutton  
Tammy Tillery  
Jimmy Whitley  
Robin Willis

**25 Years**

Chuck Whitten

**40 Years**

Willie L. Clements, Director

**10 Years**

Therol Brown, Director  
Dawn Chandler  
Eddie Cox  
Stefanie Fisher  
Christie Garrett  
June McElroy  
Tammy McLeroy  
Teresa Tynes  
Beatriz Villarreal  
Melissa Watson  
Terry Wehrle  
Ben Young

**30 Years**

Glenn Cooper

**15 Years**

Jimmy Adams  
Brett Bone  
Jason Henry  
Anita Irving  
Ben Schwarting

**20 Years**

Dee Brown  
Dawn Hunter  
Jennifer Martin  
Marty Rogers  
Marilyn Ryan  
Chris Stephens, CEO

**35 Years**

Vicki Hammond  
Beverly Hill-Jackson

Chairman Sears 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: J. Neal Shepard, Jr., Seat 1, Coweta County, Therol R. Brown, Seat 1, Fayette County; and Daniel C. Langford, Jr., who was appointed by the CFEMC Board of Directors, in accordance with the Bylaws, to fill the unexpired term of Mr. Kenneth M. Spaller, Seat 2, Fayette County. There being no opposition, Chairman Sears declared them duly elected to succeed themselves for a three-year term in accordance with Section 3.03 of the bylaws.

Stephanie Fregoso won a gas grill as the True Natural Gas prize. The lucky winner of the 12 months Relyco basic residential security monitoring donated by Relyco was Mario Flores. Terry Arrington was the Coweta-Fayette EMC Grand Prize winner of \$1,000 credit on her electric bill.

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