

WALTON ELECTRIC MEMBERSHIP CORPORATION

83RD ANNUAL MEETING

JUNE 15, 2019

Held at

WALTON COUNTY AGRICULTURAL EDUCATION CENTER

MONROE, GEORGIA

1 [Business meeting begins at 10:10 a.m.]

2 RONNIE LEE: While they come up on the stage, I'll take a few minutes and
3 welcome you to our 83rd Annual Meeting. I haven't been here for all of them, but I've
4 been here for quite a few.

5 I want to thank all of you for coming this morning and being a part of your
6 meeting. Such a beautiful day to be out. Registration will be closing shortly, so
7 remember to get registered so you can be in the prize drawings.

8 At this time, I'll ask Marcus Riley from HP Ministries to come up and give our
9 invocation.

10 [Invocation.]

11 [Guests introduced.]

12 RONNIE LEE: At this time, we will begin our session and I'll ask Michael
13 McCleary, our attorney, to come do the business session for us.

14 MICHAEL MCCLEARY: Good morning everyone. Welcome to the Walton
15 EMC business session of the Annual Meeting. We are required by our bylaws to
16 conduct this meeting. During this meeting, we are required to cover several things,
17 so that's why we're here.

18 In order to conduct our annual meeting, we have to make sure that everyone
19 received proper notice of the meeting. This report from the U.S. Postal Service
20 shows that on May 31, a little over 112,000 mailers were sent out. We are required
21 to give notice of this meeting at least seven days prior to the annual meeting, and we
22 have done that.

23 We also need to establish that we have a quorum here to conduct business.
24 Our bylaws require that we have at least 150 members present to hold the meeting.
25 As of a few minutes ago, we had almost 1,000 members registered, so we can go
26 ahead and deem that we have a quorum to move forward with the business of this
27 meeting.

28 The next item of business is the reading and approval of the minutes of last
29 year's meeting. I am prepared to stand and read all of the minutes from that
30 meeting unless someone makes a motion to dispense with the reading of the
31 minutes. I have a motion. Do I have a second? I have a second. All in favor of
32 dispensing with the reading of the minutes, please say aye.

33 AUDIENCE: Aye.

34 MICHAEL MCCLEARY: Any opposed? None opposed.

35 At this time, we need to adopt the minutes as presented from last year's
36 meeting. Do I have a motion? I have a motion. Do I have a second? Thank you for
37 that. All in favor of adopting the minutes as presented, please do so by saying aye.

38 AUDIENCE: Aye.

39 MICHAEL MCCLEARY: Are there any opposed? None opposed.

40 The next item of business that we have is our annual election of directors.
41 So for that we will call up the chairman of our nominating committee, Ms. Gloria
42 Berry.

43 GLORIA BERRY: Good morning. The report from the nominating committee
44 reads: The nominating committee of the Walton Electric Membership Corporation

45 met at the cooperative headquarters building on U.S. Highway 78, Mt. Vernon,
46 Monroe, Georgia, at 2:30 p.m. on Friday, May 10, 2019.

47 In accordance with the bylaws of the Walton Electric Membership
48 Corporation, we wish to place in nomination for consideration by the membership
49 at the meeting of the members of the Walton Electric Membership Corporation to be
50 held Saturday, June 15, 2019, and voted on at said meeting to serve for a three-year
51 term beginning on that date, the following members:

52 District Seven, Mountain Park, Billy Ray Allen; District Nine, Five Forks-
53 North Snellville, Dawn Taylor; District Eleven, Southwest Walton, Johnny Allgood.
54 Thank you.

55 MICHAEL MCCLEARY: Thank you, Ms. Berry. Having received the
56 recommendation from our nominating committee, which is a standing committee of
57 Walton EMC and we are not in need of a second. So all of those in favor of adopting
58 the recommendation of the nominating committee, please do so by saying aye.

59 AUDIENCE: Aye.

60 MICHAEL MCCLEARY: Any opposed? None opposed. Congratulations to
61 these directors being re-elected.

62 The bylaws also require that we have an annual report from our board
63 chairman. At this time, I'll call forward Mr. Sam Simonton, our board chairman, to
64 give his report. Mr. Simonton.

65 Good morning again. On behalf of my fellow board members, I want to thank
66 you for attending the annual meeting today. There are many other things you could

67 be doing this morning, and you chose to participate in your cooperative's business.
68 We appreciate your support.

69 You would think after 83 years of holding this event, the annual meeting
70 would be business as usual. But every single year we try to make this meeting
71 better. We listen to your comments and suggestions. We think of more interesting
72 ways to present the information you came to hear. We look around to find new
73 exhibits, activities for your children, and attendance prizes.

74 We do this because this is your meeting. This meeting, or even Walton
75 EMC, would not exist without you.

76 You elect us, the board of directors, to represent you in running the co-op.
77 We're customer-owners just like you. That's what makes a cooperative unique.
78 Walton EMC is run by the people it serves.

79 Yes, your board of directors are customer-owners just like you. You may
80 wonder what a director does? Why are we elected to do this?

81 The answer is very simple. Our primary job, our focus, is to watch out for
82 your best interest. Every question we try to answer, every decision we make, is
83 based on what's best for you. That's why you elect us.

84 Because you own the co-op, we provide your service at what it costs. It
85 doesn't make sense to make a profit off yourself. The money that's left over after the
86 bills are paid eventually makes its way back to you.

87 I hope you pay special attention to your December electric bill. For many
88 years now, we've given that money back in a capital credit refund. Chances are

89 almost every one of you received part of our six-million-dollar refund last
90 December.

91 That refund brought our total returned to customer-owners to more than
92 ninety-nine million dollars! That's a lot of money.

93 A board member's job gets harder every year. We don't talk about what kind
94 of pickup truck to buy or what color carpet should go on the office floor. The
95 decisions we make involve millions of dollars and have a profound effect on the
96 future of our co-op.

97 It's not enough to just show up for meetings. Being a good board member
98 means many hours of study outside the board room to understand the complex
99 issues we're considering on your behalf.

100 One of those issues rapidly approaching us all is Plant Vogtle. New units
101 three and four will be coming online in the next couple of years and we'll start
102 paying for them. How this will impact our electric bills seems to change by the day.

103 Even though Vogtle's impact is still somewhat unsure, your board has been
104 actively and aggressively pursuing any way possible to lessen its effect.

105 This isn't something we just started thinking about. We've been looking at
106 this issue for years, continually adjusting our response as we learn new information.

107 Although we're doing everything we can, including putting money aside to
108 lessen the impact, Plant Vogtle is going to raise our electric bills some. How much
109 that's going to be is still up in the air, but our best estimates right now are around
110 eight to twelve percent.

111 We could pretend like nothing is going to change, but I want to be upfront
112 and honest with you and let you know what's coming. Every electric consumer in
113 Georgia, no matter who they get their power from, is going to see an increase in what
114 they pay for power.

115 If you compare electricity to most of the things we buy, its price has
116 remained the same while other goods and services have gone up. Your power bill
117 has remained stable for many years. The power you buy every month that frees you
118 from all kinds of jobs that we used to do by hand is still a great value.

119 I'm glad to report to you once again that your cooperative is in great shape
120 and well run. Your board is pleased with the progress Walton EMC employees are
121 making in keeping our co-op up to date and keeping the lights burning.

122 And speaking of employees, we have the best at doing what they do. Not
123 only are they competent and well-qualified, they care about you. They often tell us
124 that's the main reason they like working at a co-op so much: they are able to truly
125 care for our customer-owners. That's their first priority.

126 Because we are your representatives, your board always seeks your
127 opinions, ideas and input in running your co-op. Please let us hear from you.

128 Thank you for your time and attention this morning. I hope you enjoy the
129 rest of our meeting.

130 MICHAEL MCCLEARY: Thank you, Mr. Chairman. Also required as part of
131 our business meeting is an annual report from our President and CEO, Mr. Ronnie
132 Lee. I'll ask Mr. Lee to come forward again to give his report.

133 RONNIE LEE: Good morning. On behalf of our board, staff and employees, I
134 want you to know how much we appreciate your attendance today. A lot of work
135 goes into this event and we try very hard to make it something you enjoy. Thank you
136 for your interest in the business of your cooperative.

137 It's been a busy year at Walton EMC. During the next few minutes, I
138 want to update you on some of the things we've been doing. I think you'll be pleased
139 with our accomplishments.

140 A year ago, I told you about a new Walton EMC member that would
141 have a big impact on the co-op and community. Facebook had announced the
142 construction of a new data center in the Social Circle area and we were selected to
143 supply its electricity needs.

144 But there was more to it than simply getting power to the site. As I've told
145 you before, being a customer-owned company means we focus on our members'
146 needs. In this case, Facebook wanted a unique power arrangement that would
147 supply their facility with one hundred percent renewable energy.

148 Other power suppliers weren't interested in doing what they wanted, but
149 Walton EMC was. Through a unique arrangement that's being looked at and copied
150 all over the country, we were able to structure a deal that benefits both Facebook
151 and Walton EMC. But the benefits are going to reach well beyond just WEMC.

152 As a result, we executed contracts for two solar facilities in South Georgia to
153 supply the renewable energy, one in Early County and one in Colquitt and Calhoun
154 Counties. The two solar farms will generate more than 800 jobs and add substantial
155 money to each county's tax income. That money will benefit local school systems.

156 The total investment will reach more than two hundred and thirty million dollars.
157 And not only does this help us, but after the devastation of Hurricane Michael, this
158 part of the state can really use the extra investment.

159
160 We located these facilities in South Georgia because of the availability of
161 large tracts of land which are mostly flat and have more hours of direct sunlight.

162 Because of our solar activity, the Southern Alliance for Clean Energy named
163 Walton EMC as the leader in developing solar energy in the Southeast. We're very
164 proud of that.

165 Our cooperation with Facebook is being noticed by other companies
166 locating in and near our area. They've seen how we met Facebook's needs and are
167 interested in having your cooperative serve their facilities as well. We've already
168 won a couple of very large customer choice loads due to this and expect more. Every
169 one of these contracts benefits us all.

170 Going back to the subject of Hurricane Michael for a moment, Walton EMC
171 was proud to send several of our dedicated employees to help get the lights back on
172 after the storm. Our folks worked hard at five EMCs, some that were almost totally
173 destroyed by the storm. It will take them many years and millions of dollars to
174 recover.

175 Our employees have a reputation for their storm restoration work. They're
176 known as the hardest-working crews that get things done. People notice their
177 efficiency, competence, safe work habits and dedication.

That's true of all our employees, no matter what their job. Serving you motivates them to be the best they can, and they get great satisfaction in knowing that you are a satisfied customer-owner.

Please join me in a round of applause for the men and women who work so hard to keep the lights burning 24 hours a day, 365 days a year.

[Audience Applause]

As you know, we put a lot of effort in being involved in our communities. It's one of the bedrock principles we operate by.

One of those programs that's making a huge difference is our School Empowerment Grants. That program passed a milestone this year: we've given one million dollars since the program began only three years ago.

These grants go to public and private schools all over the ten counties we serve and range from a few hundred to tens of thousands of dollars. They're used to enhance instructional programs and to buy those things that are really needed, but the school doesn't have quite enough money to ever buy.

The money for these grants comes from unclaimed refunds. After we try several ways to find the owner, the money goes to a fund that Georgia law says can be used for these types of projects.

If you add the impact of our school grants to the other programs we administer, like Operation Round Up, employee charities and corporate donations, we put more than one point six million dollars in the community last year.

Add the various taxes we pay to the counties in our service area, which amounts to almost eighteen million dollars, and you come up with a total

community impact of almost twenty million dollars. By combining your giving power as Walton EMC customer-owners, we are making a vital difference in the lives of our communities.

The last thing I want to touch on this morning is some good news we received in the last J.D. Power press release concerning their electric power survey.

You're probably familiar with J.D. Power. They measure customer satisfaction in a variety of businesses and industries, including electric utilities. Walton EMC did very well in their last survey.

Out of all the large electric utilities in the nation, we placed second in customer satisfaction with a score of 800. This was the first time any electric utility had broken the 800 mark in this annual survey. Walton EMC was one of only two utilities nationwide to reach this level and was only four points behind the top utility. The national average was only 723.

I want to thank you for your vote of confidence and the trust you place in us. As a customer-owned company, you can be sure that we'll always do what's in your best interest. That's what belonging to a cooperative is all about.

I appreciate your attention this morning. Thanks again for attending and I hope you enjoy the rest of the annual meeting.

MICHAEL MCCLEARY: Thank you, Ronnie. Just a couple more items that we need to finish for our business session and then on to more prize drawings.

Every year we have a time when we can address comments and questions from you, the members. We ask that you keep questions applicable to all members

223 of Walton EMC. If you have specific questions about your account or service, please
224 look for one of the employees in the blue shirts for more information.

225 If there is anyone who has a question for the group, please come forward
226 and address the group.

227 [Questions from audience.]

228 MICHAEL MCCLEARY: Thank you very much. We have one last item. Is
229 there any unfinished business?

230 Do we have any new business?

231 Hearing none, we will entertain a motion to close the business session. I
232 have a first, and I have a second.

233 All in favor, please signify by saying aye.

234 AUDIENCE: Aye.

235 MICHAEL MCCLEARY: Any opposed? There are none, so we will close the
236 business session. Thank you all for your attendance and please enjoy the rest of
237 your time here.

238 [Meeting is adjourned.]