

A PUBLICATION FOR JACKSON EMC MEMBERS

JEMICOnews

join us for
FUN!

JACKSON EMC'S
ANNUAL MEETING
SEPTEMBER 28, 2017

SEPTEMBER 2017 | ANNUAL REPORT

2017 REPORT TO MEMBERS

GIFTS, DOOR PRIZES AND \$3,000 GRAND PRIZE!

BARBECUE CHICKEN SUPPER, MEMBER APPRECIATION FAIR, KIDS CARNIVAL, MUSIC & MORE



EXCEEDING EXPECTATIONS

MEMBER-FOCUSED

For 79 years, Jackson Electric Membership Corporation has provided safe, reliable and affordable electricity to you, our members, throughout Northeast Georgia. Over the decades, we've witnessed growth in this region, advancements in technology and evolution in our industry. Through it all, we've strived not only to meet but to exceed your expectations by providing courteous service, quality products and reliable electricity.

As an electric cooperative, Jackson EMC is owned by its members and depends on you to help keep your business operating. That means you must be informed of how your company is progressing, how it's operated in the past, and what it needs to continue providing exceptional service in the future. With that in mind, here's a look at our past year's achievements and our plans for the year ahead.

CONTINUED GROWTH

For the past four years, we have experienced a slow but steady growth, adding 3,000 to 3,700 meters to our system annually, including more than 3,500 new meters connected during the past 12 months. The past year's new accounts included the addition of 3,163 residential meters and 409 commercial/industrial meters. Our new commercial/industrial accounts include the new FedEx ground distribution facility in Jackson County and a new freezer at Lanier Cold Storage in Hall County.

With these additional accounts, Jackson EMC now delivers power to more than 224,500 meters. Yet even with the consistent growth, our members continue to use about the same amount of electricity as they did four years ago—about 5 billion kilowatt hours each year.

It would stand to reason that, with the additional homes and businesses added to our lines, we would be called upon to produce more electricity. But just as our number of members has grown, so has their dedication to energy efficiency. It is evident that our members use the energy saving tips we share online and in our newsletter, keeping your personal and business power bills at a minimum while helping your cooperative keep costs stable for all of our members.

PREPARING FOR THE FUTURE

Over the course of the past year, Jackson EMC has worked diligently to improve the distribution network that supplies your power. Along with updating two substations to increase reliability, we built a new substation in Hall County to meet the needs of new customers in the Chestnut Mountain/Braselton area.

Another way we've worked this year to provide more reliable service is by installing 48 more automated reclosers (viper switches). This new technology means that fewer of you will experience outages—and the time without electricity will be briefer for those whose power does go out after a storm.



As part of Green Power EMC, we now provide power from a 200 megawatt solar installation in South Georgia, supplying you with almost 17 million kilowatt-hours of solar energy. That's enough to power 1,100 homes, and it allows you to support renewable energies.

COMMUNITY IMPACT

Each year, Jackson EMC members contribute to the wellbeing of their neighbors by participating in Operation Round Up. This year, our members gave back \$1,095,973 to the community through organizational and individual grants awarded by the Jackson EMC Foundation. These gifts help others obtain food, housing, clothing, medical services, counseling and a multitude of similar needs and services—and brings the total you've given since 2005 to \$12,121,994.

To assist area teachers in providing the tools and technology they need to bring innovative learning projects and programs to their students this year, we funded \$65,700 in Bright Ideas grants to schools across our service area.

Also, each year Jackson EMC sends four delegates on the Washington Youth Tour, an all-expenses paid week of leadership development, learning about U.S. history, and experiencing government in action at the nation's capital.

STRATEGIC PLANNING

Strategic planning led by our management and employees leads to the success of our cooperative, which results in benefits to you, our members.

Our strategic planning process utilizes your feedback along with input from our board and employees to identify areas where we need to improve. Strategic Initiative Teams consisting of our employees are assigned to research these areas for improvement, to study how other companies met similar challenges, and recommend strategies that Jackson EMC can take to become more efficient.

This year, one of our first strategic plans was put into place in January when we reorganized under Operations and Support groups. Along with the reorganization, our Strategic Initiative Teams also studied how we hire people and bring them along in the organization—and how we evaluate and improve our employees' performance.

Much time and thought went into these studies with our teams ultimately making recommendations that, more than ever, will ensure we hire the most qualified people for the job—people who not only meet our criteria for employment but also demonstrate a passion for serving our members. These new strategies ensure that hiring and training good employees continues for years to come as we work to ensure a professional and pleasant workforce at Jackson EMC.

IMPROVING COMMUNICATIONS

Our latest strategic initiative involves upgrading our core information systems. Right now, we utilize systems from several vendors for our Outage Management, Customer Information and other systems. On their own, each system works well, but we've diagnosed a major dilemma: They don't work well together.

Based on recommendations from our Strategic Planning, soon we will begin work on an 18-month project to move all of our core information systems to a new vendor, National Information Solutions Cooperative (NISC). Our new information systems are designed to communicate with one another and work together. One of the new services NISC will make possible is a Smart Hub, a self-service page on our website that provides a one-stop way to check energy usage, pay your bill, sign up for services, get rebates and more.

When the NISC conversion is completed in early 2019, we will have accomplished yet another major project designed to provide exceptional service for you, our members.



THE BOTTOM LINE

Since 1938, Jackson EMC has strived to provide the most reliable electric power at the most affordable cost to our members. Today, Jackson EMC members on average pay 15 percent less for electricity than Georgia Power customers. That's the equivalent of \$300 a year, and it's something we're proud of.

On top of that, because Jackson EMC is a not-for-profit cooperative, our members receive a portion of the funds left over at the end of the year after all the company's expenses are paid. Last December, eligible Jackson EMC members received \$7.5 million in these margin refunds. This year, the board of directors is pleased to announce that in December we'll mail \$9 million in refunds to members who received service in 1990 and/or 2016. These margin refunds bring the total returned to members since we were founded 79 years ago to \$124.5 million.

As we approach a new year at Jackson EMC, our goal is not only to do what you expect of us, but more.

Chip Jakins
President/CEO

2017

— BY THE —
NUMBERS

224,863
TOTAL METERS

3,572
NEW METERS

13,916
MILES OF WIRE

425
EMPLOYEES

\$1 BILLION
IN PLANT ASSETS

5.32 BILLION
kWh used

\$9 MILLION
Returned to members in
2017 margin refunds

\$1,095,973
Given to charitable
organizations by
JEMC members



PROGRAM

ANNUAL MEETING ACTIVITIES

There's something for everyone at Annual Meeting

Children will enjoy inflatables, candy art and clowns, while adults learn about the cooperative's operations and plans for the future. Everyone in attendance will receive one meal ticket for a barbecue chicken supper and ice cream to be enjoyed onsite. Throughout the evening, *The Triumphant Quartet* will perform, and everyone has the chance to win a door prize!

A Health Fair offers free and low-cost services, and our Member Services area features products and services dedicated to energy efficiency, solar power and security. Make your reservations online today at www.jacksonemc.com/annual_meeting or mail the enclosed reservation card by **Friday, September 15**. We look forward to seeing you at Annual Meeting on Thursday, September 28.



HEALTH FAIR SERVICES AND INFORMATION BOOTHS

Several health agencies from across our service area will offer basic health testing for members. Healthcare professionals will be onsite to:

- Check blood pressure and pulse rate.
- Test glucose levels.
- Perform cholesterol screenings.
- Test vision and eye health.
- Measure height and weight for BMI.
- Conduct hearing screenings.

Members may also have Child ID kits made, along with a variety of other free services, evaluations and information.

KIDS CARNIVAL

Kids will enjoy attractions from 5:30 to 8:30 p.m. at the Kids Carnival, including:

- 22-foot Slide
- Kids' Zone
- Lil' Tykes Village
- Inflatables
- Obstacle Course
- Candy Art Station
- Clowns
- Games



MEMBER APPRECIATION

Learn more about the benefits of being a Jackson EMC member in the Member Appreciation area:

- Spin the prize wheel and win with energy efficiency.
- Preview the latest Energy Star® appliances and learn about available rebates.
- Win free movie tickets and preview coming attractions.
- Learn the facts about Sun Power.
- Preview home automation available from EMC Security.

GRAND PRIZE AND OTHER GIFTS AND PRIZES

Each Jackson EMC account holder in attendance at Annual Meeting is eligible to receive one member appreciation gift and one raffle ticket for door prizes. Prize numbers will be announced throughout the evening. You must be present to win.



REGISTER TODAY
AT JACKSONEMC.COM OR MAIL
THE ENCLOSED RESERVATION
CARD BY **FRIDAY, SEPTEMBER 15**.

ANNUAL MEETING PROGRAM

THURSDAY, SEPTEMBER 28
(ALL TIMES APPROXIMATE)

5:30 - 7:30 PM

- Registration
- Boxed Chicken Dinner
- Member Services Area
- Health & Wellness Fair
- Prize Tickets

5:30 - 8:30 PM

- Kids Carnival

6:15 - 7:20 PM

- Early Prize Drawing
- Entertainment by *The Triumphant Quartet*

7:20 PM UNTIL ADJOURNMENT

- Invocation
- National Anthem
- Service Awards Recognition
- Meeting Called to Order
- Report of Quorum Present
- Official Notice of Mailing and Proof of Mailing
- Minutes of Last Meeting
- Board Chair's Report
- President/CEO's Report
- Election of Directors
- New Business
- Prize Drawings
- Entertainment by *The Triumphant Quartet*
- Grand Prize Drawing

THE 2017
Grand Prize
\$3,000
WORTH OF
ENERGY EFFICIENT
APPLIANCES OF
YOUR CHOICE!

**TO PARK AT JACKSON COUNTY
COMPREHENSIVE HIGH SCHOOL**
1668 WINDER HIGHWAY, JEFFERSON

From Athens

- Take Hwy. 129 North.
- At Arcade, go straight to take Jefferson Bypass (Damon Gause Bypass).
- Travel approximately three miles to the Hwy. 11 intersection.
- Turn left on Hwy. 11.
- The main entrance to the school is immediately on the right.

From Atlanta

- Travel I-85 North.
- Take Exit 137 (Hwy. 129/Jefferson) and turn right (South) onto Hwy.129/Hwy.11 (Bypass).
- Travel south until reaching the Hwy. 11 intersection.
- Turn right onto Hwy. 11.
- The main entrance to the school is immediately on the right.

TO PARK AT JACKSON COUNTY COURTHOUSE
5000 JACKSON PARKWAY, JEFFERSON

From I-85 North

- Exit I-85 at Dry Pond Road (Exit 140).
- Turn right onto Hwy. 82.
- Drive 2 miles to dead end, turn right to continue on Hwy. 82.
- Drive 3 miles, turn left onto General Jackson Pkwy.
- Courthouse is on the left, about half a mile down Jackson Pkwy.

TO PARK AT JACKSON EMC
850 COMMERCE HIGHWAY, JEFFERSON

Traveling I-85 North

- Take exit 137 and turn right onto Hwy.129/Hwy.11 (Bypass).
- Drive one mile and turn left onto Hwy.129 (Bus.).
- At the second traffic light into downtown Jefferson, turn left onto Hwy.15 (Alt.) which becomes 82/15 (Alt.).
- Travel on Hwy.15 N (Alt.) toward Commerce.
- Jackson EMC is located at 850 Commerce Hwy., on the right at the top of the hill.

From Athens

- Travel north on Hwy. 129.
- At Arcade, turn right onto Hwy. 129 (Bus.).
- At traffic light, turn right onto Hwy. 82/15.
- Travel on Hwy.15 N (Alt.) toward Commerce.
- Jackson EMC is located at 850 Commerce Hwy., on the right at the top of the hill.



DRIVING & PARKING DIRECTIONS

For the best experience, we encourage members to park in our off-site parking areas. Shuttles run to two parking areas every 30 minutes and drop members off at the entrance to the meeting.



FOR OFF-SITE PARKING

SHUTTLE BUSES RUN EVERY 30 MINUTES TO DROP YOU OFF AT THE ANNUAL MEETING ENTRANCE.

ANNUAL MEETING UPDATES
AVAILABLE AT JACKSONEMC.COM

ASSETS

| BALANCE SHEETS | 2017 | 2016 |
|---|-----------------------|-----------------------|
| UTILITY PLANT | | |
| Electric Plant in Service - At Cost | \$1,002,324,844 | \$ 951,497,514 |
| Construction Work in Progress | 13,161,721 | 19,366,353 |
| Gross Utility Plant | 1,015,486,565 | 970,863,867 |
| Accumulated Provision for Depreciation | (308,340,478) | (290,814,433) |
| | 707,146,087 | 680,049,434 |
| INVESTMENTS IN ASSOCIATED ORGANIZATIONS | 160,220,605 | 146,184,675 |
| CURRENT ASSETS | | |
| Cash and Cash Equivalents | 13,121,007 | 24,131,313 |
| Accounts Receivable (Net of Accumulated Provision for Uncollectibles of \$5,327,337 in 2017 and \$4,799,220 in 2016) | 20,905,318 | 21,673,919 |
| Materials and Supplies | 10,593,680 | 9,898,849 |
| Prepaid Power Cost | 50,450,919 | 75,468,268 |
| Other | 2,653,813 | 2,107,322 |
| | 97,724,737 | 133,279,671 |
| DEFERRED DEBITS | 304,685 | 11,537,189 |
| TOTAL ASSETS | \$ 965,396,114 | \$ 971,050,969 |

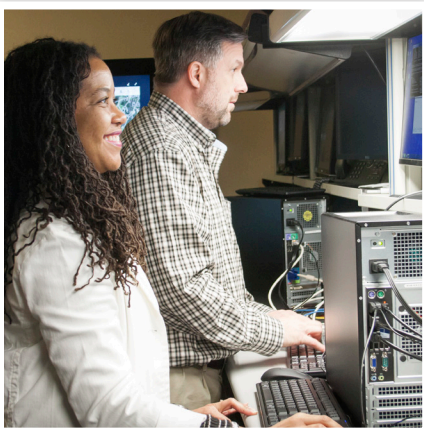
MEMBERS' EQUITY AND LIABILITIES

| BALANCE SHEETS | | |
|---|-----------------------|-----------------------|
| MEMBERS' EQUITY | | |
| Membership Fees | \$ 3,413,080 | \$ 3,307,490 |
| Patronage Capital | 404,309,344 | 383,471,331 |
| Other Equities | 627,146 | 624,357 |
| | 408,349,570 | 387,403,178 |
| LONG-TERM DEBT | 421,158,700 | 452,944,793 |
| OTHER LONG-TERM LIABILITIES | | |
| Accumulated Provision for Postretirement Benefits - Noncurrent | 44,643,934 | 45,573,164 |
| CURRENT LIABILITIES | | |
| Long-Term Debt - Current Portion | 16,240,000 | 15,350,000 |
| Accumulated Provision for Postretirement Benefits - Current Portion | 2,743,000 | 1,862,000 |
| Accounts Payable | 33,961,026 | 32,659,038 |
| Consumers' Deposits | 11,935,951 | 11,452,826 |
| Other | 16,892,177 | 16,422,369 |
| | 81,772,154 | 77,746,233 |
| DEFERRED CREDITS | 9,471,756 | 7,383,601 |
| TOTAL MEMBERS' EQUITY AND LIABILITIES | \$ 965,396,114 | \$ 971,050,969 |

STATEMENTS OF OPERATIONS

STATEMENTS

| | 2017 | 2016 |
|--|-----------------------|-----------------------|
| OPERATING REVENUES | \$ 518,171,255 | \$ 517,305,283 |
| OPERATING EXPENSES | | |
| Cost of Power | 381,073,557 | 384,629,061 |
| Distribution Operations | 13,372,917 | 13,436,026 |
| Distribution Maintenance | 19,327,942 | 18,272,122 |
| Consumer Accounts | 15,962,309 | 15,485,536 |
| Consumer Information and Sales | 10,500,897 | 8,840,946 |
| Administrative and General | 16,687,737 | 14,051,109 |
| Depreciation | 33,087,874 | 31,455,194 |
| | 490,013,233 | 486,169,994 |
| OPERATING MARGINS BEFORE INTEREST EXPENSE | 28,158,022 | 31,135,289 |
| INTEREST EXPENSE | 22,139,486 | 22,693,272 |
| OPERATING MARGINS AFTER INTEREST EXPENSE | 6,018,536 | 8,442,017 |
| NONOPERATING MARGINS | 9,547,685 | 8,442,733 |
| GENERATION AND TRANSMISSION COOPERATIVE CAPITAL CREDITS | 10,805,617 | 10,108,968 |
| OTHER CAPITAL CREDITS AND PATRONAGE CAPITAL ALLOCATIONS | 1,965,441 | 608,667 |
| NET MARGINS | \$ 28,337,279 | \$ 27,602,385 |
| PATRONAGE CAPITAL - BEGINNING | 383,471,331 | 362,393,439 |
| RETIREMENT OF PATRONAGE CAPITAL | (7,499,266) | (6,524,493) |
| PATRONAGE CAPITAL - ENDING | \$404,309,344 | \$ 383,471,331 |



YOUR POWER.
YOUR COMMUNITY.

A PUBLICATION FOR
JACKSON EMC MEMBERS

JACKSON EMC OFFICES
1000 Dawsonville Highway
Gainesville, GA
(770) 536-2415

85 Spratlin Mill Road
Hull, GA
(706) 548-5362

850 Commerce Road
Jefferson, GA
(706) 367-5281

825 Buford Dr
Lawrenceville, GA
(770) 963-6166

EMC SECURITY
55 Satellite Blvd., NW
Suwanee, GA
(770) 963-0305 or
(706) 543-4009

PERIODICALS
POSTAGE PAID



jacksonemc.com | @JacksonEMC | jacksonemc | JEMCTV1 | jackson_emc

MEMBERS MAKE IT DELICIOUS

White Bean Chicken Soup in Slow Cooker, Tuscan Style



15 MINUTE PREP TIME, 3 TO 8 HOURS COOK TIME.
SERVES 6 TO 8

INGREDIENTS:

- | | |
|---|-----------------------------------|
| 2 (15 oz.) cans cannellini beans, drained and rinsed | 2 bay leaves |
| 1 (15 oz.) can diced tomatoes with juice | 1 sprig fresh rosemary |
| 1 (32 oz.) box chicken broth | 1 tsp. dried oregano |
| 1 1/2 cups sliced carrots | 1 tsp. dried thyme |
| 1 1/2 cups sliced celery | 1 tsp. dried basil |
| 2 large boneless, skinless chicken breasts | 1/2 tsp. red pepper flakes |
| 3 cloves garlic, minced | salt & pepper to taste |

DIRECTIONS:

Place chicken on bottom of slow cooker; add carrots, celery and garlic. Add beans, tomatoes with juice and chicken broth. Add all the spices. Stir everything together and cover, cooking on high for 3-4 hours or on low for 6-8 hours (or until chicken is tender). Remove chicken breasts, shred and return to pot; stir. Makes 6 to 8 chunky bowls of yummy soup.

“ This is a wonderfully easy slow cooker soup recipe. It has been a favorite with our family for years. I got it from my Aunt Micki in California and tweaked the original for my taste buds. ”

- CINDERELLA DANIELS, DULUTH, GA



SEND YOUR BEST THANKSGIVING DINNER RECIPE: ASORROW@JACKSONEMC.COM OR MAIL TO:
COOPERATIVE COOKING | JACKSON EMC | PO BOX 38 | JEFFERSON, GA 30549