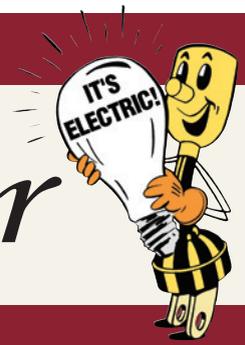




The Cooperator



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The Official Newsletter of Blue Ridge Mountain EMC

Blue Ridge Mountain EMC 2016 Annual Meeting

BY BYRON McCOMBS

A crowd of approximately 400 members attended Blue Ridge Mountain EMC's Annual Meeting, held Saturday, Sept. 10, at Anderson Music Hall in Hiawassee, Ga. After registration opened at 8 a.m., members arrived to receive their Annual Meeting gifts, enjoy musical entertainment by Southern Vantage and participate in the business session of their electric cooperative.

Board President Steven Phillips welcomed members and recognized outgoing Directors Greg Owenby, from Union County, Ga., and Ronnie Burch, from Clay County, N.C. Both chose not to seek reelection, and Phillips presented each with a plaque in appreciation of their service on the BRMEMC board.

Mickey Cummings, assistant secretary of the board, gave a policy report reviewing the changes made during the past year. Roy Perren, board secretary, then presented the financial report.

As part of Perren's financial report, a prepared statement was read summarizing the results of the recently completed forensic examination. The examination was conducted by the Accounting Group of Dixon, Hughes, Goodman, LLC (DHG), under the direction and authorization of the BRMEMC

Board of Directors. The forensic examination was completed to ease concerns expressed by the membership regarding the finances at the co-op and to provide the new general manager with a "clean slate."



New General Manager Jeremy Nelms assured members of his commitment to do everything possible to make BRMEMC an organization everyone could be proud of, one focused on providing the highest-quality service to members.

The results of the forensic examination achieved both of those goals. Richard Livingstone, the lead director of DHG Forensics in charge of the audit, stated, "The forensic analysis and examination of the books and records of the Blue Ridge Mountain Electric Membership Corporation by DHG Forensics did not identify any apparent unauthorized disbursements or any additional abuses in the billing and collection process. As with every organization for which we conduct such examinations, we did identify areas where we believe internal controls and policies could be strengthened and have provided recommended changes to the Blue Ridge Board and management to address those concerns. In the course of our examination, we found the knowledge, cooperation and organization of the staff of

Blue Ridge Mountain EMC to be commendable, which greatly assisted in the efficiency and effectiveness of this examination."

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According to Perren, the forensic examination cost \$75,981,47. “While still a substantial amount of money, this figure is well below what was feared,” he said. “The board asks that the membership look at this figure as an investment. As the recommendations of DHG Forensics are implemented, savings should exceed the cost of the forensic examination over time.”

Perren also served as chairman of the search committee responsible for finding a qualified candidate to serve as BRMEMC general manager. He shared with the audience how the search process was conducted, from selecting an executive search firm, The Goodwin Group, to creating a search committee that worked to provide the board with qualified candidates.

The search committee, made up of Cummings, Perren, Bob Short, Larry Ford and Sheila Cook, was formed in the fall of 2015. The committee recommended three very impressive candidates to the board, which unanimously selected Jeremy Nelms to be BRMEMC’s new general manager. In introducing Nelms to the members at the Annual Meeting, Perren described him as “one of the brightest up-and-comers in the industry.”

Because he had served as general manager for only five weeks before the meeting, Nelms decided to forgo the traditional Manager’s Report and instead chose to share information about his background and vision for the future.

An engineer by trade, Nelms told the crowd he earned degrees in both electrical engineering and wireless engineering from Auburn University. Upon graduation, he went to work for Talquin Electric Cooperative in Tallahassee, Fla., as an entry-level engineer designing new line extensions and performing power system analysis. While at Talquin, he earned his MBA from Florida State University and received a Professional Engineering License from the state of Florida.

Nelms believes serving his last two years at Talquin EMC as Director of Engineering and Operations has

prepared him for many of the challenges he will face in the leadership position at BRMEMC.

Before discussing his plans for the future, Nelms reported a small rate increase planned by the Tennessee Valley Authority (TVA), the cooperative’s wholesale power supplier. He was made aware of the TVA rate increase shortly after arriving at BRMEMC. The average increase for a residential account, 1.25 percent, took

effect Oct. 1, 2016. Nelms emphasized that none of the increase would be retained by BRMEMC but would be sent to TVA to cover their increase in rates.

Concerning the future, Nelms shared with members what he had expressed to the co-op’s employees at their first meeting. “I am ripping down the rearview mirrors to ensure there is no looking back. What is in the past is in the past, and we must move forward.”

“Even in the brief time I have served as general manager, I realized BRMEMC is not broken,” Nelms told members. “We have employees who want to provide great service for the membership and a determined board that will provide strong leadership and clear direction. It is a testament to the character of our employees that they have remained as dedicated as ever, despite the events

of the past few years.”

Regarding the forensic examination, Nelms commented, “I cannot emphasize enough the significance of knowing our forensic examination resulted in no material findings. I believe this step was critically important to ease the minds of the membership and to help clear the financial air of BRMEMC.”

In closing, Nelms assured the audience of his commitment to do everything possible to make BRMEMC an organization everyone could be proud of, one focused on providing the highest-quality service to members. He added, “I am here to serve our members, listen to your concerns and offer assistance to you in any way I can.”

Board President Steven Phillips then announced that 6,084 members had registered, establishing a quorum. Following nomination reports by Board Attorney Larry



Board President Steven Phillips, right, presents Clay County Director Ronnie Burch a plaque thanking him for 22 years of service.

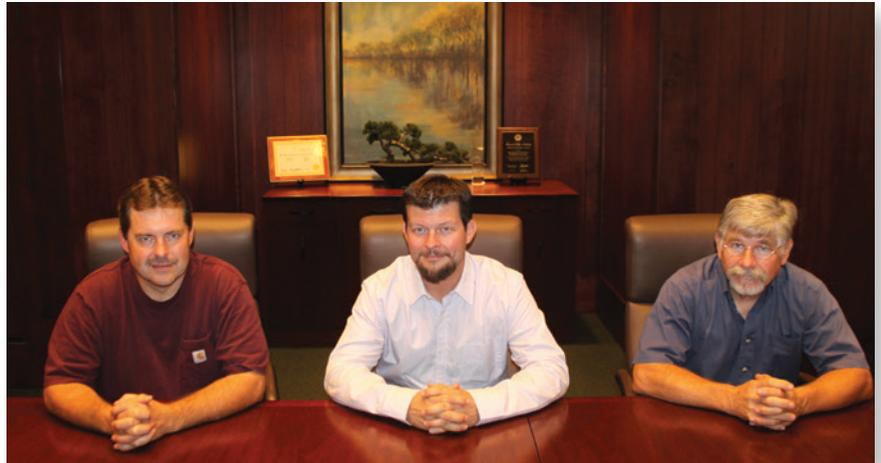
EMC 2016 Annual Meeting

Ford, members had an opportunity to ask questions from the floor.

Member questions included the following topics: capital credits, fiber-optic expansion, the customer charge, collection of the Terry Taylor bill, chemical herbicide spraying, long-term debt, open board meetings, community solar and coal plant closings.

Attorney Ford then announced the board election results. In the three-way Union County race, Gene Mason prevailed, receiving 35.0 percent of the vote to Patrick Malone's 20.2 percent and Andrew Smith's 18.4 percent. In Clay County, Cory Payne was the winner, receiving 42.2 percent of the vote to Gary Reffit's 25.8 percent. Incumbent Ray Cook, facing no opposition, was elected with 66.2 percent of the vote to represent Cherokee County, N.C.

Members also approved a proposed amendment allowing for electronic notification of special meetings of the Board of Directors. The amendment received



From left, Incumbent Ray Cook, Cherokee County; Cory Payne, Clay County; and Gene Mason, Union County, were elected to the BRMEMC Board of Directors.

66.3 percent "Yes" votes.

After the election results were announced, Director of Member Services Sonny Mahan proceeded with the drawing of names for door prizes. Mahan thanked the members for their attendance.



Southern Vantage provided wonderful musical entertainment at the 2016 Annual Meeting.



General Manager
Jeremy Nelms

Manager's Message

Looking Forward to the Future

Greetings! Let me begin by saying how honored and blessed I am to be your new general manager here at Blue Ridge Mountain EMC (BRMEMC). The beautiful mountains and cool mornings are a nice change of scenery and climate compared with what I was accustomed to over the past decade in north Florida.

I have been a resident of your area for only a few months, but I can most assuredly say that I have made the right decision, both professionally and personally, for my young family and me. The quality of the people, coupled with the natural beauty of the area, make this job a dream come true.

First, I want to tell you a little about myself before sharing my vision for our EMC. I am a Georgia native, raised for a time in Newnan and then Watkinsville before settling in Cullman, Ala.. I attended Auburn University and earned degrees in wireless engineering and electrical engineering. While at Auburn, I was a five-year member of the Marching Band, where I met my wife, Elizabeth. We have two young children, Bradlee and Mara.

After graduation, I accepted a position as engineer at Talquin Electric Cooperative in Quincy, Fla., where I was afforded a variety of opportunities to develop my full potential. One of my accomplishments was enabling the co-op to receive \$16.2 million in Smart Grid Investment Grant funding through the American Recovery and Reinvestment Act. This set the trajectory for my career and gave me a foundation that has prepared me to take on the role as general manager at your EMC. Also during my time at Talquin, I earned a Professional Engineering License

along with an MBA from Florida State University.

As I embark on my career here at BRMEMC, I am encouraged by the quality and commitment of the staff and the Board of Directors. Everyone I have encountered in our ranks wants to make sure they do the right thing for the members.

I have emphasized to all employees just how important it is to continue to move forward and let the past remain in the past. This will allow us to write the comeback story that is so imperative for our future success here at your EMC.

We owe it to our employees to have a strong safety program. We owe it to our members to provide reliable service. Rate competitiveness is critical to the families and businesses that make up our membership. The quality of our service has never been more important. These tasks cannot be accomplished by allowing the negativity of the past to infiltrate our thought process.

As we move forward, we will continually search for opportunities to improve our service while keeping costs as low as possible. This commitment to controlling costs and gaining efficiencies will help strengthen the EMC's finances, further ensuring the comeback story is written in stone.

Let me close by assuring you that I will do everything I can to make this EMC an organization we can all be proud of, one focused on providing the highest quality service to you, the members. Please remember that I am here working for each and every one of you. I will always take time to meet with our members and listen to your concerns.