

SAWNEE EMC 2023 ANNUAL REPORT and OFFICIAL NOTICE of 2024 MEMBER MEETING

SAWNEE EMC
2023 Board of Directors

Inner (Blue) Circle, clockwise

ROGER COKER – District 1 (Chairman)

TIM HEARD – District 6 (Vice Chairman)

GARY PORTER – District 4 (Secretary – Treasurer)

Outer (Green) Circle, clockwise

MARSHALL MILLWOOD – District 2

BILL BARNETT – District 3

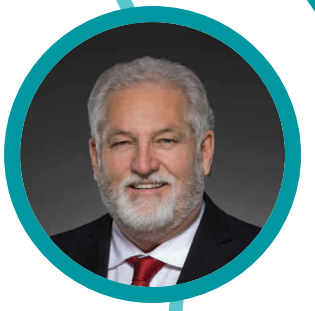
LARRY EVANS – District 5

TERRY MATHIS – District 7

DONNA YOST – District 8

RODNEY REESE – District 9



















Mr. Barnett served on Sawnee EMC's Board of Directors, representing District #3 (Cumming) from 2020 until his passing earlier this year. His tireless efforts supported Sawnee EMC and its mission to serve its members with reliable and safe electricity.

Members of Sawnee EMC have the unique right to determine who represents them in the affairs of the Cooperative as members of its Board of Directors.

"Each interaction we have with our members is an opportunity to connect, solve problems and show we care."



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Dear Sawnee EMC Member:

Greetings to you from the staff and Board of Directors of your electric cooperative.

We hope you will find our 2023 Annual Report, titled "**The Power Behind Your Power**", interesting and informative. We chose this theme to provide you with an insight into the many individuals who call Sawnee EMC home and who have a goal and mission to make sure you receive reliable and dependable electric service at a competitive price every day. We sincerely hope you enjoy reading more about this great electric cooperative.

On July 16th of this year, we celebrated our 86th year of serving our members with pride and distinction. From those humble beginnings in 1938, we have grown to be the 3rd largest EMC in Georgia and the 8th largest in the nation. While the number of members we now serve has changed from those early years, we remain true to our core value of service and aim to provide exceptional experiences for our members.

It is an honor to serve you and we look forward to being a trusted energy partner to you, your neighbors and those in your communities across our seven-county service area for years to come. We will continue to be a good steward of your cooperative and will do so in a manner that makes you proud to be a Sawnee EMC member. All the best to you.

Sincerely,

Michael A. Goodroe
President and CEO

What's Behind the Power of SEMC?

OUR STAFF is here to serve you. In fact, our motto is "We're More Than Electricity, We're Service." These words may sound generic, but to us – they mean everything. Every day we focus on providing reliable energy to our members and keeping pace with changing technology, evolving needs and new expectations. Our knowledgeable staff members think about the challenges we may experience in the future. So, the next time you see, "We're More Than Electricity, We're Service," we hope you know that we mean it. Service is deeply ingrained into who we are, and we look forward to discovering additional ways to serve you and provide more options for you to power your life.



You Can Depend on Sawnee EMC when there's an Outage



Our linemen are the first responders to any type of outage and they will tell you it's always a good feeling to help people get their lights back on. Part of their commitment is to ensure that our members have reliable electricity at their home or business. Sawnee EMC's ~125 linemen are the steady hand leading into, throughout, and after a storm. They serve our communities during emergencies, ensuring our members' electricity is restored swiftly and, more importantly, safely. Our linemen play an indispensable role in the life of our communities.

Member Focused

Because we're an electric co-op, we operate differently than other electric utilities. We exist to provide a service to you, and our over 375 employees work toward a common goal to serve you and provide the quality, reliable, friendly customer service you expect and deserve. Because you're part of an electric cooperative, you can count on our dedicated team of professionals to provide at-cost electricity and world-class customer service. Throughout the year, we organize opportunities for you to attend, like our Annual Meeting, so we can interact with you. We also utilize an annual survey to gather your feedback on co-op programs and services so that we can plan and adjust for the future.

Sawnee EMC was created for you, the members, and the power is in your hands.



Reliability Providing reliable power to you is a top priority. Our team focuses much of their talent on making sure you have consistent, reliable power when you need it.

Our Right-of-Way staff strives to provide clearance from trees and other obstructions that could hinder the operation of our distribution system. The overall goal of our vegetation management strategy is to provide reliable power to our members while maintaining the beauty of our area. Vegetation management is an essential tool in ensuring power reliability and minimizing the risk of outages. Reliability means repairing and replacing utility equipment to prevent wear-and-tear, ensuring our equipment can withstand severe conditions.

Our engineering professionals forecast and integrate technology to increase reliability.

Likewise, our Engineering staff is dedicated to the reliability of your electric service. While the goal is the same, they look at reliability through a different lens. Part of their approach is to evaluate the energy needs of our service area and implement techniques and new technologies to improve reliability.

Another aspect of being laser-focused on reliable energy is fuel diversity. Having a balanced mix of generation sources is essential. To do this, we need reliable sources of power that will meet all the peaks and valleys of on-demand energy in our connected world. Our team aims to anticipate, plan and respond to energy demands and policy changes. That's how we can power your home or business, while continuing to serve as your local energy provider.

You have a trusted energy partner in us, a community-focused organization that works to efficiently deliver affordable, reliable and safe energy to you.

The Sawnee EMC People Behind Your Power



Eddy Yarbrough
Right of Way Coordinator
36 Years of Service

I have been employed with Sawnee EMC for 36 years and 34 of those years have been in the Right-of-Way department. I am very proud to have the opportunity to be a part of getting our system to where it is today, which is one of the most reliable systems in the state. It is a good feeling when you go home knowing the electricity will stay on for our members.



Amanda Love
Vice President of Financial Services
2 Years of Service

Being an employee of Sawnee EMC has provided me a strong sense of pride in knowing I am blessed to have a career that serves not only our electric cooperative, but also the community in which I was born and raised. I value the wonderful team of employees that work for Sawnee EMC, and I consider myself fortunate to be a part of such a talented group of individuals.

Charlie Durden
Energy Services Representative
12 Years of Service

It has been a tremendous privilege to serve the members of Sawnee EMC for over a decade now. Each unique encounter I have had with our members over the years has given myself and Sawnee EMC the opportunity to enhance the quality of life for that member.

I look forward to my continued years of service and helping our members conquer the dynamic challenges of an evolving energy landscape.





Kiesha Walter
9 Years of Service
Customer Service Representative

Through my role, I enjoy providing our members support over the phone and being attentive and understanding to what they may need. Our team strives to put our members needs first and exceed their expectations. I think we provide exceptional customer service that way.



Vic Deaton
Engineering Superintendent
9 Years of Service

Working as an engineer at Sawnee EMC gives me the opportunity to help our members and my community by providing reliable electric service and that makes a positive impact on the daily lives of those we serve.

Delwin Bobo
Line Supervisor
39 Years of Service

I feel very blessed to work as many years as I have. Working at Sawnee, I was fortunate to have leaders who made sure I learned the correct way to perform my job in the field. With the skills and knowledge that was passed on to me, it allows me to perform my job to improve our system and make sure it is reliable. I take pride in that each day.





Sawnee Electric Membership Corporation BALANCE SHEETS

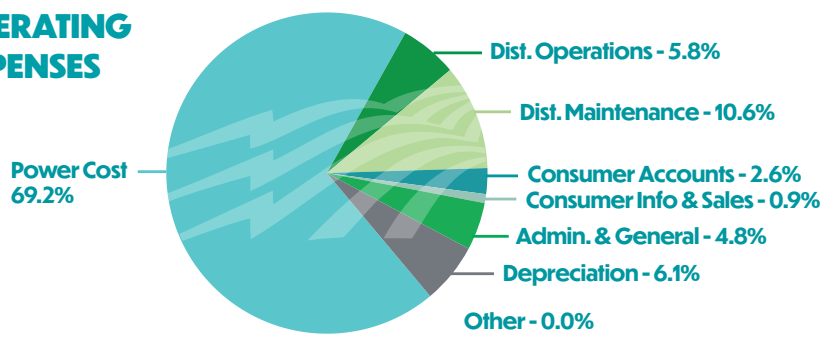
Assets	2023	2022
Utility Plant		
Electric Plant in Service - At Cost	$823,724,722	$774,633,712
Construction Work in Progress	8,322,557	9,700,884
Gross Utility Plant	832,047,279	784,334,596
Accumulated Provision for Depreciation	(143,289,958)	(136,296,313)
	688,757,321	648,038,283
Other Property and Investments		
Investments in Associated Organizations	56,452,232	51,353,588
Restricted Funds	141,790,508	148,930,889
Other Investments	-	119,111
	198,242,740	200,403,588
Current Assets		
Cash and Cash Equivalents	34,380,862	39,801,483
Accounts Receivable (Net of Accumulated Provision for Credit Losses of $169,087 and $69,495 in 2023 and 2022, Respectively)	22,117,488	19,460,266
Accrued Utility Revenue	19,705,454	21,950,196
Materials and Supplies	8,922,449	8,467,011
Prepayments	116,835	104,712
Interest Receivable	3,125,808	1,594,030
	88,368,896	91,377,698
Deferred Debits	2,109,780	112,000
Total Assets	**$977,478,737**	**$939,931,569**

Members' Equity & Liabilities		
Members' Equity		
Membership Fees	$140,030	$145,730
Patronage Capital	308,821,179	285,576,092
Other Equities	27,459,530	26,606,845
	336,420,739	312,328,667
Long-Term Liabilities		
Long-Term Debt	392,399,569	372,445,557
Accumulated Provisions for Postretirement Benefits Other Than Pensions	26,245,444	24,475,170
Other Liabilities	369,194	246,129
	419,014,207	397,166,856
Current Liabilities		
Long-Term Debt - Current Portion	14,925,801	14,301,752
Accumulated Provisions for Postretirement Benefits Other Than Pensions - Current Portion	1,416,621	1,255,730
Accounts Payable	26,940,068	28,702,953
Consumers' Deposits	12,068,576	11,066,819
Accrued and Withheld Taxes	5,828,103	4,411,109
Other	13,433,002	13,480,085
	74,612,171	73,218,448
Deferred Credits	147,431,620	157,217,598
Total Members' Equity and Liabilities	**$977,478,737**	**$939,931,569**

STATEMENTS of REVENUE and PATRONAGE CAPITAL

	2023	2022
Operating Revenues	**$441,494,527**	**$452,343,517**
Operating Expenses		
Cost of Power	285,265,938	306,709,719
Distribution Operations	23,967,405	21,680,458
Distribution Maintenance	43,454,806	35,840,459
Consumer Accounts	10,684,854	10,661,957
Consumer Information and Sales	3,518,858	3,436,129
Administrative and General	19,755,471	18,503,349
Depreciation	25,078,379	23,317,018
Other	12,050	2,277
	$411,737,761	$420,151,366
Operating Margins Before Interest Expense	**29,756,766**	**32,192,151**
Interest Expense	**11,143,882**	**10,350,256**
Operating Margins After Interest Expense	**18,612,884**	**21,841,895**
Nonoperating Margins	**8,597,197**	**3,884,943**
Generation and Transmission Cooperative Capital Credits	**2,938,615**	**3,316,015**
Other Capital Credits and Patronage Capital Allocations	**2,336,270**	**1,150,355**
Net Margins	**$32,484,966**	**$30,193,208**
Total Members' Equity - Beginning	**$312,328,667**	**$290,418,846**
Net Margins	**32,484,966**	**30,193,208**
Retirement of Patronage Capital	**(8,474,293)**	**(8,371,180)**
Membership Fees	**(5,700)**	**(6,435)**
Other Equities	**87,099**	**94,228**
Total Members' Equity-Ending	**$336,420,739**	**$312,328,667**

OPERATING EXPENSES



To view the complete financial statements contained in our 2023 Financial Audit, please visit our website at **www.sawnee.coop**. If you wish to receive a printed copy of our 2023 Financial Audit, please contact Mrs. Ginny Ellis, Chief Financial Officer, at 770-887-2363, extension 7578, or via email at **ginny.ellis@sawnee.coop**.

This institution is an equal opportunity provider and employer.

Sawnee Electric Membership Corporation
Summary of Proposed Bylaw Amendment

To be considered at the 86th Annual Members Meeting To be held on October 5, 2024

Dear SEMC Member,

You are hereby notified that the Board of Directors of Sawnee Electric Membership Corporation will present a proposed amendment to the Corporation's Bylaws at the upcoming Annual Meeting. This letter shall serve as your Official Notice of the proposed Bylaw amendment, as required under Section 15.02 of the Corporation's Bylaws.

This proposal (see the text reflecting the proposed language to be added and/or removed) will be presented to the membership at the Annual Meeting to be held on October 5, 2024. If approved by the membership, this Bylaw revision will become effective as of October 5, 2024.

The purpose of this proposal is to eliminate the concept of *"fractional voting"* that currently exists in the bylaws and to clarify that the vote of any or all shall constitute one joint vote (i.e., one vote per joint membership).

Sawnee's Board of Directors approved this proposed amendment at a board meeting held on March 21, 2024, and recommends that the membership approve this Bylaw revision, as presented.

Respectfully,

SAWNEE ELECTRIC MEMBERSHIP CORPORATION

Michael A. Goodroe
President and CEO

PROPOSED BYLAW AMENDMENT

(Added language is underlined and deleted language is ~~stricken through~~.)

ARTICLE I

MEMBERSHIP

SECTION 1.04. JOINT MEMBERSHIP. By jointly executing a membership application, two or more Persons may be accepted into joint membership, or, if one of them is already a member, may, upon specifically so requesting in writing, automatically convert such membership into a joint membership. The words "member," "applicant," "person," "his", "her" and "him," as used in these Bylaws, shall include two or more Persons applying for or holding a joint membership, unless otherwise clearly distinguished in the text; and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities and liabilities of membership shall apply equally, severally and jointly to them. Without limiting the generality of the foregoing -

(a) the presence at a meeting of any or all shall constitute the presence of one member and a joint waiver of notice of the meeting;

(b) the vote of any or all shall constitute, respectively, one joint vote; ~~PROVIDED, that if more than one be present but in disagreement on a vote, each shall cast a fractional vote (such fractional votes being allocated pro rata to all who seek to vote such that all together shall constitute a single vote);~~

(c) notice to, or waiver of notice signed by or otherwise effected by, any shall constitute, respectively, a notice to all or waiver of notice by all;

(d) suspension or termination in any manner of any shall constitute, respectively, suspension or termination of the joint membership;

(e) any, but not more than one concurrently, shall be eligible to serve as an officer or director of the Cooperative, but only if the candidate meets the qualifications required therefor.

P.O. Box 266
Cumming, Georgia 30028
770-887-2363
Fax – 770-234-6722
800-635-9131
www.sawnee.coop

September 6, 2024

Official Notice of 2024 Annual Membership Meeting TO BE HELD ON SATURDAY, OCTOBER 5, 2024

Dear Sawnee EMC Member,

In accordance with Article 3, Section 3.03, Notice of Member Meetings, of the Sawnee Electric Membership Corporation ("the Corporation") Bylaws, notice is hereby given that the 2024 Annual Membership Meeting of the Corporation will be held on Saturday, October 5, 2024, at Sawnee EMC's headquarters located at 543 Atlanta Road, Cumming, GA. Registration for this meeting will be from 8:00 a.m. to 11:00 a.m. Registration will be conducted in a "drive-through" format. An in-person Business Session will convene at approximately 11:00 a.m. for those members interested in attending. Please see Annual Meeting Agenda on back cover.

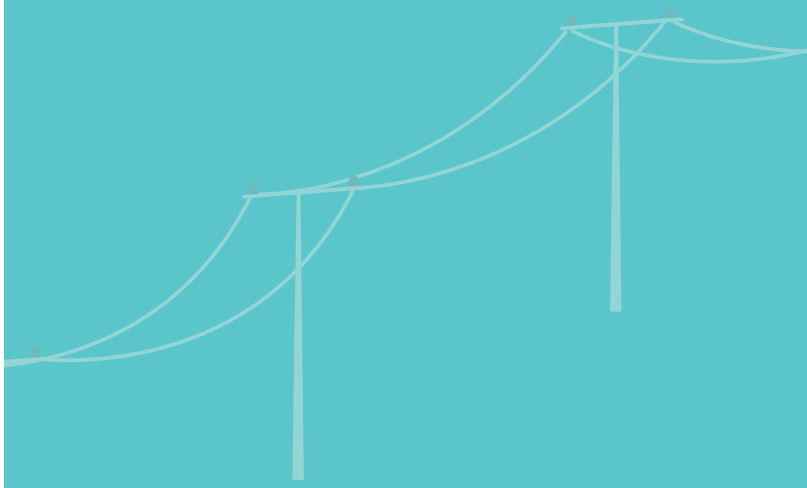
The purpose of this meeting is to transact all business that may properly come before the Corporation's membership and provide information regarding the status of the Corporation, including Board reports on the election of directors and other matters. A report on the status of the Corporation will be distributed at registration. Members will have an opportunity to approve the 2023 Annual Membership Minutes at the Business Session as well as offer questions and comments to the staff.

We urge you to make plans to attend these very important meetings of your Cooperative.

Respectfully,

Gary G. Porter
Secretary-Treasurer

Make plans to attend these very important meetings of your Cooperative.



The 2024 Annual Meeting will be held on

Saturday, October 5, 2024

at Sawnee EMC's headquarters:

543 Atlanta Road, Cumming, GA 30040



This is your Annual Meeting REGISTRATION CARD!

Please bring this notice with you to the Annual Membership Meeting on Saturday, October 5, 2024 and present it at the Registration area.

2024 ANNUAL MEETING OF MEMBERS



Join us on Saturday, October 5th! Members will enjoy drive-through registration from 8:00 a.m. until 11:00 a.m. All members who register for the Annual Meeting will be entered for a chance to win a door prize. This year's grand prize will be a $750 VISA gift card. Additionally, there will be drawings for a $250 VISA gift card as well as 150 bill credits in the amount of $25 each. **Members do not have to be present at the Business Session to win.**

For members who wish to stay for the Business Session, they will enjoy performances from the Forsyth Singers and North Georgia Circuit Riders. Our entertainment will take place from 10:00 a.m. until 10:50 a.m.

At 11:00 a.m. our Business Session will begin. All times are approximate and subject to vary.

Hope to see you there!

2024 MEMBER MEETING Agenda

8:00 am – 11:00 am
Drive-through Registration

10:00 am
Forsyth Singers

10:30 am
North Georgia Circuit Riders

11:00 am
Business Session

- Report of Quorum
- Convene the 2024 Annual Meeting
  - Reading of Official Notice & Proof of Mailing
  - Approval of Minutes from Prior Meeting
  - Report of District Director Elections
- State of the Cooperative
- Unfinished Business
- New Business
  - Discussion and Results of Proposed Bylaw Amendment
- Business Meeting Adjourns

SAWNEE EMC
543 Atlanta Highway
Cumming, GA 30040

sawnee.coop