

March 26, 2022
Keystone Heights, Florida

**MINUTES OF THE 2022 ANNUAL MEETING OF THE MEMBERS
OF
CLAY ELECTRIC COOPERATIVE, INC.**

The 84th Annual Meeting of the Members of Clay Electric Cooperative, Inc. was held at the Keystone Heights Junior/Senior High School Football Field in Keystone Heights, Florida, on March 26, 2022, commencing at the hour of 9:30 a.m.

These minutes are not intended to be a verbatim record of the meeting, and reflect agenda items, matters of interest and substance that came before the membership.

The meeting was called to order at 9:30 a.m. by President Jimmy Wilson, who welcomed all those present to the 84th Annual Meeting of the Cooperative. He then called on Mr. Dewitt Hersey, Trustee from District 5, for the invocation. He then called on a color guard from the Youth Challenge Academy at Camp Blanding for the presentation of colors and Pledge of Allegiance.

President Wilson then introduced John Haswell, the Cooperative's attorney, to inform the members on the certification of the notice of meeting. Mr. Haswell reported that the meeting notice was published in the *Kilowatt* and mailed to the members on March 9, 2022, and that a certification of that mailing has been signed by Mr. Derick Thomas, Chief Public Relations Officer. Mr. Haswell noted that the minutes of the previous annual meeting were made available for the members' review online last week.

President Wilson then reported that a quorum was present and that the business of the Cooperative could proceed. The members having previously received the minutes of the previous meeting, President Wilson asked if there were any corrections, additions or deletions that the members wished to consider, and hearing none, determined that the minutes stand approved.

President Wilson then recognized the members of the Board of Trustees and noted their years of service: From District 1, Carl Hagglund of Keystone Heights, with 9 years of service; from District 2, Kelley Smith, Jr. of Palatka, with 35 years of service; from District 3, Susan Reeves of Hawthorne, with 40 years of service; from District 4, Carl Malphurs of Alachua, with 12 years of service; from District 5, Dewitt Hersey of Starke, with 10 years of service; from District 7, John Henry Whitehead of Lake Butler, with 15 years of service; from District 8, Jo Ann Smith of Wacahoota, with 10 years of service; and from District 9, Karen Hastings of Fort McCoy, with 7 years of service.

President Wilson then announced the results of the election. He noted that Survey and Ballot Systems, the Cooperative's third party election vendor, submitted certified election results, first noting that of the 183,901 eligible voters, 2,881 paper ballots were returned and counted. The results

of that ballot were reported to the Cooperative and listed as follows:

For Trustee from District 1, Carl Hagglund received 2,813 votes with 27 write-in ballots; from District 8, Jo Ann R. Smith received 2,811 votes with 22 write-in ballots; from District 9, Karen Hastings received 2,807 votes with 23 write-in ballots.

Consequently, Carl Hagglund was re-elected as Trustee for District 1, Jo Ann R. Smith was re-elected as Trustee for District 8, and Karen Hastings was re-elected as Trustee for District 9. The term of office is for three years or until they or their successors are elected or re-elected, as the case may be.

President Wilson then introduced the Cooperative's General Manager and Chief Executive Officer, Richard K. Davis, and then greeted the members present again, noting that it was great to see everyone present at the Cooperative's first ever Saturday morning annual meeting. He thanked those in attendance for taking the time to attend the annual meeting, noting that it has been two years since the Cooperative has been able to hold an in-person gathering. President Wilson thanked his fellow Trustees for their leadership and service to the Cooperative, noting that the Board is committed to keeping rates low and empowering employees to provide members with excellent customer service. He also expressed appreciation for the work that the employees do to improve service to our members every day. He noted that in the last few years the employees have worked on several large major projects that have provided significant technological advancements. All members have received new advanced meters that are read remotely, providing more accurate readings so members can know and understand their energy use on a daily basis. After the new meters were set, employees moved on to implementing a new Cooperative-wide computer system, integrating all of the Cooperative's systems including customer service and outage management. He noted that there is a new app called MyClayElectric which provides online account access. More than 81,000 members are now using it. An important feature of the app is to report outages. It is the very best and easiest way to let the Cooperative know that your power is out. The app also allows members to pay their bills, to make changes to their account, view billing history, read important announcements, and view energy usage, all on a daily basis.

President Wilson reminded the Cooperative members of the benefit of being a member which includes capital credits. This year, 2022, President Wilson reported that the Board of Trustees approved a \$12 million capital credits refund, noting that the refund is available to members of the Cooperative because Clay Electric is not for profit. He noted that the last two years have presented all of us with challenges and that Clay Electric has more than risen to the occasion as its management, staff and employees have worked to improve your experience at all levels. On behalf of the Board, President Wilson thanked those present for attending the annual meeting gathering and for being a part of our Cooperative family. He then called on Trustee Kelley Smith to introduce some special guests and elected officials. Mr. Smith asked if there were any elected officials present

and, hearing no response, moved on to special guests. Those guests were from Seminole Electric Cooperative, Inc., the Cooperative's wholesale power supplier. Those attending the meeting were Lisa Johnson, CEO and General Manager; Charles Wubbena, Vice President of Operations; Ryan Hart, Director of Communications and Energy Policy; Jerry McClellan, Director of Plant Operations at the Seminole Generating Station; and Ed Gonzalez, Operations Manager at the Seminole Generating Station.

President Wilson then turned the podium over to Mr. Davis for his remarks as General Manager and Chief Executive Officer of the Cooperative. Mr. Davis then reported that 2021 for the Cooperative was an historic year in which COVID-19 impacted all of us, interrupted supply chains, materials costs went up 50% and delivery of vehicles that the Cooperative needs to operate were scheduled years out instead of months. He noted that the employees all pulled together to make things happen and follow the Cooperative's mission of safety first and the provision of reliable and affordable energy services. Mr. Davis noted that a rate increase was required to maintain financial stability due to across the board price increases of the materials and equipment that the Cooperative needs to operate. The cost of fuel went up, particularly natural gas which doubled in price in the last few months. A \$4.00 fuel cost increase will be implemented next month.

Mr. Davis noted that there were 10,000 new accounts in 2021, and that now over 190,000 accounts are being billed. The Cooperative continues to increase and manage its work force to handle the growth. There have been upgrades to the Cooperative's computer system involving NICS, including cyber security improvements. Reliability is one of the Cooperative's top priorities. During 2021, the Cooperative storm hardened over 80 miles of lines, and over 3,400 poles were converted from wood to concrete. He also discussed replacing transformers and upgrades to substations. The Cooperative's wholesale power supplier, Seminole Electric, is building a new natural gas facility in Palatka, and it will also add 300 megawatts of solar generation. The Cooperative is now working on projects for the implementation of electric vehicles and the power that they will need, including electric charging stations. A lot of this information is available on the Cooperative's website.

He reminded the members that the employees of the Cooperative also serve in the communities that are included in the Cooperative's service area, one of which is Operation Roundup which provides assistance to non-profit organizations within the Cooperative's service area. He noted that he appreciates all of the time and energy that the Cooperative's employees provide to the communities they work in. Mr. Davis thanked the members for the recognition it achieved in the J.D. Powers Survey rating Clay Electric the top rating for an electric cooperative in the southeast. He then thanked the Trustees for their dedication through service to the members and the employees and also expressed appreciation for the award from the City of Keystone Heights naming Clay Electric as the best business of the year. He thanked the Board of Trustees for allowing him to serve as your CEO/General Manager, noting that the Cooperative has been here since 1937 and will continue to

serve its members in the best way possible. He thanked the members present for attending the meeting and then asked if there was any unfinished business, any new business, and hearing none, closed the meeting.

The foregoing Minutes of the Annual Meeting of the Members of Clay Electric Cooperative, Inc. held on March 26, 2022, were approved by an affirmative vote of the membership on March 25, 2023.

Kelley R. Smith, Jr., Secretary