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## Marietta Daily Journal (GA)

### 'We are being swindled' Tempers flare as Cobb EMC members ask for resignation of board

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MARIETTA - Temperatures and tempers were hot Thursday morning at the 70th annual members meeting of the Cobb Electric Membership Corporation at its headquarters off Cobb Parkway.

A conflict of interest by Cobb EMC's President and CEO Dwight Brown and its board who also oversee nonprofit EMC's for profit subsidiary, Cobb Energy, were foremost on the minds of co-op members who voiced their frustration and asked board members to resign.

Cobb EMC has nearly 200,000 residential and commercial customers who own the electric cooperative. Of those, 818 registered co-op members attended the meeting, by EMC's count. That's compared to more than 600 members last year. Cobb EMC leaders refused to allow the Journal to videotape the meeting.

The relationship between Cobb EMC and Cobb Energy is at the heart of litigation brought by six plaintiffs, including former Cobb Commissioner Butch Thompson and Marietta businessman Bo Pounds, on Oct. 22 against Brown and the board. The lawsuit claims Energy was created in 1997 to profit them. The suit is presently before Cobb Superior Court Judge Stephen Schuster.

Schuster ruled on Aug. 25 that the election of board members be postponed by 45 to 60 days from Sept. 4, so members could have a better understanding of the companies' finances and more members could vote.

Craig Ormsby, of First Baptist Church of Woodstock, gave the invocation, asking God to give EMC's members and leaders wisdom.

"Thank you for the blessings you have bestowed on Cobb EMC," he prayed.

Fletcher Thompson, a Marietta resident who represented Georgia in Congress for three terms beginning in 1967, was first at the microphone during new business.

"When was it determined that EMC should not own all of Cobb Energy?" he asked the board. He made a motion that the action to increase the management fee that EMC pays Energy "be rescinded immediately."

A sea of arms adorned with green wristbands went up. Although the motion passed overwhelmingly (the wristbands identified members), there were angry shouts when Bob Silliman, the board's attorney, informed the members that the board of directors does not have to act.

"You may express the feelings of the membership in motions, but they are not binding on the board of

directors," Silliman said.

Thompson later made a motion that no EMC officer or director, or their family members, could work for or have any financial interest in Cobb Energy and any who do must end the association within 20 days.

**"We are being swindled,"** Thompson said.

That motion, too, drew cheers from the crowd and passed easily, although is not binding on the directors.

Several speakers lined up to express their appreciation for and esteem in the EMC, and a few voiced support for Brown and the board. A couple of others seemed to wear out their welcome making repeat appearances at the microphone.

Members offered motion after motion, asking the board to reassess the relationship with Energy and eliminate any conflict of interest; to hold all future member meetings on Saturdays, to enable more members to attend; and for more transparency in financial-data reporting. Nearly all of the requests demanding accountability from the board passed.

While the member-owners spoke, the nine of ten directors in attendance, plus various attorneys, sat calmly and quietly across the stage. As the meeting dragged into the afternoon, one EMC leader fetched bottles of water for those stuck on the stage.

Deborah Allen, who lives in northeast Cobb and has been an EMC member since 1980, praised the cooperative's work and employees.

But she was shouting when she told the directors: "There is no credibility left with this board of directors.

"I'm here because I don't trust you all anymore. We are not morons. You are stealing from EMC, and you will get caught." Energy, she said, may have begun with good intentions, but has "become a cash cow for you and your friends."

Cobb Energy lawyer Michael Weinstock of Atlanta accused the plaintiff's lawyers, Pitts Carr and David Cohen of Atlanta who were in attendance, of influencing the statements and actions of co-op members at the meeting.

"It appears that the plaintiffs and their attorneys have used this as a forum to espouse a postured position," Weinstock said.

"They treated this like a pep rally to make a misstatement to get people emotionally charged."

Cohen countered: "That is a completely false and untrue statement."

He said he and Carr attended because their clients, who are co-op members, asked them to, and they had a right to attend as their attorneys.

"They wanted us to see what was going on here, and my family is paying members and have been for 40 years," Cohen said.

Brown spoke to members for about 15 minutes at the end of the meeting. His remarks focused on company business. He avoided mention of the litigation and did not specifically address the concerns that were voiced.

To those opposed to a coal-fired power plant that Cobb EMC plans to build in partnership with nine other EMCs, Brown asked for a better solution.

"If you and your organization will bring to the table a source of electricity that is equal to or better than our proposed plan in all respects ... we will bring them in to the Cobb EMC board with the other nine members of Power4Georgians, LLC to accept your proposal," Brown said.

Cobb EMC is joining nine other Georgia EMCs to build the \$2 billion plant near Sandersville in Washington County. The plant would be the first power generator owned by the 10 EMCs, which now purchase their energy from wholesalers, and would allow them to own and operate their own plant and sell energy to themselves.

Paul Weatherby, who was Cobb EMC's president from 1973 and 1993, introduced Brown at the meeting. He hired Brown decades ago to oversee operations and maintenance at the EMC.

"Brown is a visionary," Weatherby said.

And he had advice for the membership, the same suggestion he said he has made to Brown.

"Settle this (litigation) in mediation and get on with your business," Weatherby said.

Before the meeting, Elaine Fenster of east Cobb, an EMC member since 1986 said she came because "I'm expecting some fireworks and I enjoy fireworks."

"I was not disappointed," she said later.

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