

Power Lines



MAY 2009

Haywood EMC sends high school juniors to Washington, D.C.

Haywood EMC recently selected its delegates for the 2009 Rural Electric Youth Tour to Washington, D.C. Jesse Davis of Clyde and Jacob Crabtree of Lake Toxaway will be representing HEMC in the nation's capital during the week of June 13-19.

In addition to the trip, Davis and Crabtree, along with other Youth Tourists, are eligible for scholarships totaling \$4,500. Selection of Youth Tourists is based on community and school involvement, as well as an essay and personal interview. Haywood EMC sponsors delegates to

the annual Youth Tour as part of its commitment to developing youth leadership skills.

Jesse Davis is the son of Alan and Jenee Davis and attends Haywood Christian Academy. He is a lettered athlete in soccer, basketball and baseball. He enjoys camping, hiking and playing percussion in his church band.

Jacob Crabtree is the son of Steve and Kellie Crabtree. He attends Rosman High School where he is active in the Club of International Languages, Future Business Leaders of



Jacob Crabtree

Jesse Davis

America, Concert band and Student Council. He plays the piano and percussion and is a member of Live Oak Band.

Notice of 2008 Patronage Assignments

Your electric cooperative is a not-for-profit organization owned by each member receiving electric service. Capital Credits reflect the non-profit nature of your cooperative. Capital Credits are actually the amount of money that is "credited" to an active member's account at the end of each year. This amount is based on revenue remaining after expenses have been paid. Investor-owned utilities return this margin (profit) to the stockholders through dividends. In the case of a member-owned, non-profit cooperative—like Haywood EMC—the margin is credited to the member-owner on a pro-rata basis as capital credits.

Each month as members pay their bills for electric service, your cooperative in turn pays for the expense of providing that service. Any excess money

that remains after these expenses are taken care of provides equity for you as a member in your cooperative.

Capital credits are allocated annually to each member's Capital Credit account based on the individual's amount of electricity purchased during that calendar year. As capital credits accumulate, the co-op still retains the amount needed for financial strength, but distributes an amount determined by the Board of Directors and within RUS regulations to their members in a general retirement of capital credits.

In 2008, the cooperative's margins allocated were in the amount of \$1,334,242, or 3.8% of electric bills rendered. This means that each member was allocated 3.8% of the annual amount paid to the cooperative for electric use during 2008. To compute

your individual allocated amount for 2008, simply multiply your annual energy cost by 3.8%.

In addition, retirements are made to the estates of deceased members. Under this procedure, estate representatives sign a waiver and are immediately paid the present day value of the total unretired allocated amount. There are certain guidelines to follow and forms to be completed when filing for a deceased member's capital credits.

Should you have further questions concerning this allocation or the retirement to deceased estates, please call our office. This notification is just a part of our on-going mission here at Haywood EMC to keep our members informed of business activities.

Haywood EMC Bylaws

A complete copy of the co-op's bylaws is available to members upon request.

ARTICLE IV DIRECTORS:

SECTION 4.01. General Powers

The business and affairs of the Cooperative shall be managed by a Board of nine (9) directors, which shall exercise all of the powers of the Cooperative except such as are by law or by the Cooperative's articles of incorporation or bylaws conferred upon or reserved to the members.

SECTION 4.02. Qualifications

No person shall be eligible to become or remain a director of the Cooperative who is a close relative of an incumbent director, or an employee or General Manager of the Cooperative. Further, no person shall be eligible to become a director who is not a member of the Cooperative and receiving service there from at that person's primary residential abode. From and after April 24, 2007, the foregoing sentence requires the Director or Director candidate (but not incumbent directors in office on April 24, 2007) to live in the district predominantly and permanently except for occasional absences including leisure travel, vacations, etc. but not including absences for temporary residence in another location. The foregoing requirements are designed to enhance the director or director candidate's ability to serve the membership, be available for Board Committee or other assignments, including emergency Board meetings and to assist in the coordination of communications in regard to restoration of service following a major outage. No person shall be eligible to become or remain a Director unless that person has the capacity to enter into legally binding contracts and any such person must not have been convicted of or pled guilty to a felony within the 7 years next preceding the date of the election to which a person stands for election. While a Director, and during the 180 days immediately prior to becoming a Director, a Director or Director candidate must be a member in good standing (including being current in all respects in regard to payment to the Cooperative of membership fees, if any, additional payments, and bills rendered for electric service at the Director or Director candidate's primary residential abode). No former employee or former General Manager of the Cooperative shall be eligible to become a director of the Cooperative until at least fifteen (15) years following the termination of that person's employment with the Cooperative. No person shall be eligible to become or remain a director of, or to hold any other position of trust in, the Cooperative who is employed by or financially interested in a competing enterprise, or a business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures, supplies or wiring to, among others, the members of the Cooperative. Upon establishment of the fact that a nominee for director lacks eligibility under this Section or as may be provided elsewhere in these bylaws, it shall be the duty of the chairman presiding at the meeting at which such nominee would otherwise be voted upon to disqualify such nominee.

SECTION 4.03. Election

At each annual meeting of the members, Directors

shall be elected only by secret ballot cast by the members; PROVIDED, that, when the number of nominees does not exceed the number of Directors to be elected from a particular Directorate District, balloting by mail may be dispensed with for the election of the Director to represent that particular District, and the Secretary of the Board of Directors shall cast at the meeting one vote for the nominee who shall thereupon be declared to have been duly elected. Directors shall be elected by a majority vote when there are only two candidates and by plurality vote, i.e., the greater number, when there are three or more candidates. Drawing by lot shall resolve any tie votes.

SECTION 4.05. Nominations

By Board: The Board of Directors may nominate, not less than eighty (80) days prior to the date of a meeting of the members at which Directors are to be elected, a candidate for each director district for which election of a director is to be held at such meeting, which list of nominations for directors, if any, shall be posted at the principal office of the Cooperative at least thirty (30) days before said meeting.

By Petition: Any seventy-five (75) or more members of the Cooperative, acting together, may make additional nominations in writing over their signatures not less than sixty-five (65) days before the date of a meeting of the members at which directors are to be elected, and the Secretary shall prepare and post at the principal office of the Cooperative at least thirty (30) days before said meeting a list of nominations for directors by petition, which list may include a greater number of nominees than are to be elected. The Secretary shall mail to the members with the notice of the meeting, or separately, but at least fourteen (14) days prior to the meeting, a statement of the number of directors to be elected and the names and addresses of all nominees, showing separately those made by the Board of Directors and those made by petition, if any. The Secretary shall include, if requested in such mailing a brief (250 words or less) prepared biography of a nominee and/or advertisement for the election of the nominee which shall be authorized by the nominee in writing or by the initials of the nominee. All nominations, however made, shall specify the particular Directorate District for which the nomination is made. Each nominee shall reside in the Directorate District served by that director. If only one qualified nomination is made for a particular Directorate District, such nominee shall automatically be declared elected and balloting shall be dispensed with in respect to that District. Notwithstanding anything in this Section, failure to comply with any of the provisions of this Section shall not affect in any manner whatsoever the validity of any action taken by the Board of Directors after its election at such meeting.

SECTION 4.06. Directorate Districts

Directors shall be nominated and elected so that the Board shall be comprised of one (1) director from nine (9) directorate districts.

Board nominations deadline nears

The deadline to nominate Haywood EMC members by petition is June 11, 2009. The three directorate districts open for nominations for 2009 are:

District No. 3: Beaverdam, Chambers Mountain, Crabtree, Hyder Mountain, Medford Farm, Midway, Newfound, Peter's Cove, Ratcliffe Cove, Stamey Cove, Thickety, east of Hwy. 276 south from Pigeon Gap to Jukebox Junction and the east side of NC-110. Including surrounding communities.

District No. 4: Beantown, Black Camp Gap, Cherokee, Fie Top, Heaths Peak, Hemphill, Jonathan's Creek, Maggie Valley, Sheepback, Shelton Cove, Soco, Sutton Town, Utah Mountain, the left side of Cove Creek going up and everything south of I-40 between exits 20 and 24. Including surrounding communities.

District No. 7: Bull Pen, Cashiers, Chatooga Country Club, Cold Mountain Road, Hog Back Mountain, Horse Cove, Lake Toxaway Country Club, Sapphire Lakes, Wade Hampton Country Club, Whiteside Cove, NC-107 from Hwy. 64 to South Carolina State Fish Hatchery and south of Hwy. 64 from NC-107 to Main Street Highlands. Including surrounding communities.

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1560 Asheville Road
Waynesville, N.C. 28786-3441

Board of Directors

Bob J. Tucker, President: 885-2432
Larry Clark, Vice President: 627-8064
David Noland, Sec.-Treas: 627-1561

Directors

James P. Boyette: 884-6316;
David Edwards: 648-2263;
Ken Israel: 667-0065;
Ted Mullett: 884-9208;
Roy Stamey: 648-1703;
Emmit Wood: 526-0503

General Manager

Norman Sloan: 648-8496

Call our toll-free customer service line

1-800-951-6088

Waynesville Office

452-2281

Lake Toxaway Office

966-4215

Visit our Web site:

www.haywoodemc.com