

cooperative **REVIEW**

for members of Southern
Maryland Electric Cooperative



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SMECO and four local high school students joined the Youth Tour in Washington, D.C. The full story is on page 16.

It's almost time for the Annual Members' Meeting

Customer-members are invited to attend SMECO's 76th Annual Members' Meeting on Sept. 10, 2014, at the Blue Crabs Regency Furniture Stadium located in Waldorf.

Register and vote from 4 to 7:30 p.m. Voting ends at 7:30 p.m.

- Vote for candidates for the Board of Directors.
- Vote on pending bylaw changes.
- Review the business status of the cooperative.

If you have a question you would like answered at the meeting, please submit it to annual.meeting@smeco.coop or call 301-274-8166 by August 25, 2014.

Enjoy stadium seating, ample parking, easy access to and from major roads, and handicap accessibility. We will provide a free tote bag, free ice cream, and soda. Additional ball park fare will be available for purchase. We will also feature live entertainment.

We look forward to seeing you there!

Election of Directors

Except where otherwise noted, the Nominating Committee has nominated the following candidates for election to the Board of Directors for a three-year term, pursuant to Article IV, Section 4.03 of the bylaws.

Calvert County (One seat)

Nancy W. Zinn, St. Leonard

- AA Degree, College of Southern Maryland, Management Development
- Purchasing Supervisor, Calvert County Public Schools, retired
- Past member, Calvert County Board of Education; past member, Calvert Planning Commission
- Treasurer, Calvert County 4-H All Stars; Treasurer, Miss Tranquility and Lord Calvert Contest Committee; Corresponding Secretary and Associate Member of Calvert County Fair Board; Board member and Spirit Committee Chair, St. Leonard Vision Group
- Senior Warden and member of Christ Church, Port Republic
- SMECO Board member since January 2006; NRECA Credentialed Cooperative Director and Board Leadership Certified; SMECO Board committees: member, Capital Projects Committee; member, Policy, Audit and Budget Committee
- Lifelong resident of Calvert County



Prince George's County (One seat)

Daniel W. Dyer, Accokeek

- Attended University of Maryland and Prince George's Community College
- Government consultant and liaison; retired appraiser, Maryland State Department of Assessment and Taxation; former executive assistant to the Maryland Secretary of State and chief of staff/legislative assistant to the chairman of Prince George's County Council and County Executive
- Past Secretary, Prince George's County Democratic Central Committee; Former member, Citizen's Advisory Committee for U.S. 301, the Accokeek Development Review District Commission, Prince George's County Housing Authority
- SMECO Board member since 1981; SMECO Board Chairman 2003–2008; NRECA Director—Maryland since 2010; NRECA Credentialed Cooperative Director and Board Leadership Certified; SMECO Board committees, member: Capital Projects Committee; Policy, Audit, and Budget Committee
- Lifelong resident, Accokeek, Prince George's County



Charles County (One seat)

Victor B. Allen, La Plata

- BBA and MBA degrees, International Business, Finance, and Accounting, George Washington University
- AA degree, Business Management, San Diego City College
- Former Executive, The Howard Hughes Medical Institute (retired July 2006)
- Former General Manager, Delmarva Oil, Inc. and Southern Maryland Oil, Inc.
- Founder and Chairman, The SOB Foundation (Save Our Birthrights; 501(c)3 non-profit charity advocating marriage before child birth.)
- Former President, Delmarva Oil Heat Association
- Honorably served in the Naval Security Group Command Headquarters, Washington, D.C., 1965–1971.
- Charles County resident and SMECO member since 1986; former member, SMECO nominating committee



Gregory V. Billups, Waldorf

- BS degree, Norfolk State University; Adv. Post Graduate, Old Dominion University; Executive Education, University of Virginia and Dartmouth College
- Business Consultant; Semi-retired Information Technology Company Owner
- Former Board Member, CareFirst Blue Cross Blue Shield; Former Board Vice Chair, College of Southern Maryland; Former Board Chair, Civista Hospital; Former Board Member, Maryland Technology Development Corporation; Former Board Member, Charles County Chamber of Commerce
- Former Mentor, Charles County Public Schools
- Small Business Person of the Year, State of MD, 1993; CEO of the Year, Southern Maryland Leading Edge Awards, 2004; Bright Star Award, MD's Tomorrow Program, 1996
- Vietnam Veteran, U.S. Navy
- SMECO member since 1986



St. Mary's County (Two seats)

Carl S. Dyson, Leonardtown

Running by petition

- BS degree, Forestry with minor in Environmental Policy, Virginia Tech
- Owner, Dyson Forestry (Sawmill, Tree Service, Forestry Consulting)
- Certified Arborist and Maryland-licensed Forester
- Treasurer, St. Mary's County Forestry Board
- Former SMECO employee and sub-contractor
- SMECO member since 2001



J. Douglas Frederick, Loveville

- Chopticon High School alumnus
- Retired, St. Mary's County Public Schools; former manager of the Summer Student Program for St. Mary's County Public School Maintenance Department; former maintenance contract personnel manager; former certified Asbestos Hazardous Emergency Response Act Inspector/Management Planner
- Former Vice President and Board member, St. Mary's County Classified Employees Association
- Member, St. Joseph's Catholic Church, Morganza
- Member, St. Mary's County Genealogical Society
- Board Director, Unified Committee for Afro-American Contributions; Committee member for United States Colored Troops Monument Memorial; member, NAACP
- SMECO Board member since 2007; NRECA Credentialed Cooperative Director and Board Leadership Certified; SMECO Board committees: chairman, Public Relations; member, Capital Projects
- Lifelong resident, St. Mary's County



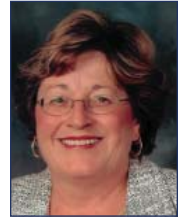
Don't miss your chance to win!

Attend the 2014 SMECO Annual Members' Meeting for your chance to win:

- One of fifty \$35 electric bill credits
- Cash prizes
- One well-traveled SMECO vehicle

Patricia M. Robrecht, Leonardtown

- BA degree, Business Administration, Upper Iowa University
- St. Mary's Academy, Leonardtown, 1970
- Retired Comptroller, Naval Air Warfare Center, Aircraft Division, Patuxent River; 36 years government experience
- Managing partner of a woman-owned small business
- Member, St. Mary's County Planning Commission
- Director, Cedar Point Federal Credit Union
- Graduate, Leadership Maryland, 2005
- Department of the Navy Superior Civilian Service Award; Department of the Navy Meritorious Civilian Service Award
- SMECO member since 1972



Joseph V. Stone, Jr., California

- Owner, Joe Stone Insurance Agency; recipient, Nationwide Insurance Community Service Award
- Lead Director, Community Bank of the Chesapeake
- Member, St. John's Church
- Past Board member, Asbury-Solomons; past Board member, Friends of Jefferson Patterson Park; past Board member, Cedar Lane Senior Center; past board member, ACES Power Marketing
- SMECO Board member since 1996; SMECO Board Chairman from September 2008 until August 2013; NRECA Credentialed Cooperative Director and Board Leadership Certified; SMECO Board committees: Chairman, Personnel and Benefits Committee; past Chairman, Board Risk Oversight Committee; past Chairman, Public Relations and Bay Country Cooperative Committee
- Lifelong resident, St. Mary's County
- SMECO member since 1981



St. Mary's County continued on next page

George M. (Mike) Thompson, Hollywood

- BS degree, Physics, Georgetown University, 1966
- Ryken High School, 1962
- Vietnam Veteran, 1st Lieutenant, U. S. Army Combat Engineers
- Retired, Verizon; Distribution Cable and Electronics Planner, TriCounty Fiber Cable; 30 years public utility experience in management and engineering
- Solar advocate; part-time farmer; volunteer at St. Mary's Hospital
- Member, St. John's Church, Hollywood; Veterans of Foreign Wars (VFW); Knights of Columbus former Grand Knight
- SMECO member since 1981



Stay in touch with SMECO

Mobile App

Report your outage, view our outage map, and pay your bill with our free SMECO 24/7 app. The convenient new mobile app also provides direct links to SMECO's Facebook, Twitter, YouTube, and news feed—right at your fingertips.

Download the app for free from Apple iTunes or Google Play. Simply type in SMECO 24/7 in the search field.

SMS Texting

SMECO also offers an SMS texting option for outage notification. Report outages, receive power restoration updates, and request outage status updates through your phone. This service is free from SMECO, but standard message and data rates may apply through your cell phone carrier. To sign up, simply text REG (for register) to 76326 (SMECO). You will then receive a text from SMECO that will ask for your account number or phone number, and your zip code. Then you are all set.

For more information about the app or text option, visit www.smeco.coop/SMECO247

Proposed changes to the bylaws of Southern Maryland Electric Cooperative

ARTICLE III MEETINGS OF MEMBERS

Section 3.04 Quorum. Five hundred (500) registered members shall constitute a quorum. Members who have voted absentee by a method authorized by the Board of Directors shall be counted with registered members in determining the existence of a quorum. If less than five hundred (500) members are registered If a quorum does not exist for any meeting, a majority of those present may adjourn the meeting from time to time without further notice. The business that would have been transacted at such meeting will be held over until the next annual meeting.

Section 3.07 Order of Business. The order of business at the annual meeting of members and, so far as possible, at all other meetings of the members, shall be essentially as follows:

1. Report as to the number of members registered and voting absentee by a method authorized by the Board of Directors in order to determine the existence of a quorum.
2. Reading of the notice of the meeting and proof of the due publication of mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Election of Directors.
4. Reading of unapproved minutes of previous meeting of the members and the taking of necessary action thereon.
5. Presentation and consideration of reports of officers, directors and committees.
6. Unfinished business.
7. New business.
8. Adjournment.

Section 3.08 Motions. A motion, which if passed may affect the future of the Cooperative or a substantial number of the members, shall not be voted on at the same member meeting at which that motion is made, and such motion shall be tabled until the next following member meeting at least 180 days after that motion is made, unless:

- a. The motion has been submitted to the Secretary of the Cooperative in writing at least 180 days prior to the date of the member meeting at which the motion is to be voted on; or
- b. The motion has been recommended by an affirmative vote of at least two-thirds of the Board of Directors.

ARTICLE IV DIRECTORS

Section 4.01 General Powers. The business and affairs of the Cooperative shall be managed by a Board of fifteen (15) directors which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Conversion or these bylaws, conferred upon or reserved to the members. The directors shall be apportioned by the county of their principal residence as follows: Charles County, five (5); St. Mary's County, five (5); Calvert County and Anne Arundel County, three (3); and Prince George's County, two (2).

ARTICLE VIII DISPOSITION OF PROPERTY

Section 8.02 Authority of Members. ~~The Cooperative may not sell, lease or otherwise dispose of all or a substantial portion of its property unless such sale, lease or other disposition is authorized at a meeting of the members thereof by the affirmative vote of not less than a majority of all of the members of the Cooperative; and unless the notice of such proposed sale, lease or other disposition shall have been contained in the notice of the meeting; provided, however, that notwithstanding any other provisions of the Maryland Electric Cooperative Act, or any other~~

~~provision of law, the Board of Directors may, upon the authorization of a majority of those members of the Cooperative registered at a meeting of the members thereof, sell, lease or otherwise dispose of all or a substantial portion of its property to another cooperative or a foreign Corporation doing business in this State pursuant to the above Act or to the holders of any notes, bonds or other evidences of indebtedness of the Cooperative issued to the United States of America or any agency or instrumentality thereof.~~

Transfer of Cooperative Assets. Except for a sale, lease, exchange, disposition, conversion, or other transfer ("Transfer") of Cooperative assets: (1) to secure indebtedness; (2) pursuant to condemnation or threat of condemnation; (3) pursuant to an existing legal obligation; (4) associated with a consolidation or merger; (5) consisting of the Cooperative's ownership in an entity; or (6) to a Cooperative subsidiary, the Cooperative may transfer during a 12-month period, all or a substantial portion of the Cooperative's assets only if:

- (1) At the expense of the person seeking to purchase, lease, or acquire the Cooperative's assets, the Board of Directors appoints three independent appraisers, each of whom, within a reasonable time of appointment, evaluates and renders an appraisal valuing the Cooperative's assets specified in the proposed Transfer;
- (2) The person seeking to purchase, lease, or acquire the Cooperative's assets provides to the Cooperative any information requested by the Cooperative;
- (3) Within a reasonable time of receiving the appraisals, the Cooperative invites any other entity operating on a cooperative basis, providing electric energy, and primarily located within the State of Maryland, or within a state adjacent to the State of Maryland, to submit proposals to purchase, lease, or acquire the Cooperative's assets specified in the proposed Transfer, or to merge or consolidate with the Cooperative;

- (4) At least a majority of the total membership approves the proposed Transfer;
- (5) Notice of a member meeting at which members will consider the proposed Transfer states that one of the purposes of the member meeting is to consider the Transfer, and includes a copy or summary of the proposed Transfer;
- (6) No director will benefit from the Transfer, financially or otherwise, in a manner unrelated to the director's membership interest;
- (7) Except for a Transfer to an entity operating on a cooperative basis and providing electric energy, all allocated capital credits are retired and paid at full and non-discounted value; and
- (8) In proportion to the value or quantity of Cooperative services used by members during the period in which the Cooperative owned an asset, the Cooperative allocates to members as capital credits any consideration received for the Cooperative's assets that exceeds the amount paid for the Cooperative assets.

ARTICLE XIII **CONSOLIDATION OR MERGER**

Section 13.01. The Cooperative may consolidate or merge only with an entity operating on a cooperative basis that provides electric energy.

- (a) Board Approval. To consolidate or merge, the Board of Directors must approve by a vote of at least two-thirds an agreement or plan to consolidate or merge ("Consolidation or Merger Agreement") stating the:
 - (1) terms and conditions of the consolidation or merger;
 - (2) name of each entity consolidating or merging with the Cooperative;
 - (3) name of the new or surviving consolidated or merged entity ("New Entity");
 - (4) manner and basis, if any, of converting memberships or ownership rights of

each consolidating or merging entity into memberships or ownership rights of, or payments from, the New Entity;

- (5) number of directors of the New Entity, which must equal or exceed five;
- (6) date of the New Entity's annual meeting;
- (7) names of New Entity directors who will serve until the New Entity's first annual meeting; and
- (8) other information required by law.

The Board of Directors must also approve by a vote of at least two-thirds proposed articles of consolidation or merger, and any amendments to the proposed articles of consolidation or merger.

Upon the Board of Directors' approval of the plan to consolidate or merge, the Consolidation or Merger Agreement, the proposed articles of consolidation or merger, and any amendments to the proposed articles of consolidation or merger shall be presented to the total membership of the Cooperative for adoption and approval.

- (b) Member Approval. To consolidate or merge, after the Board approves a Consolidation or Merger Agreement, two-thirds of the total membership must approve the Consolidation or Merger Agreement, proposed articles of consolidation or merger, and any amendments to the proposed articles of consolidation or merger.
- (c) Notice. The Cooperative shall notify members of a member meeting, at which members may consider a Consolidation or Merger Agreement. This notice must contain, or be accompanied by, a summary or copy of the Consolidation or Merger Agreement, the New Entity's articles of incorporation and bylaws, and any provision that would require director or member approval if contained in a proposed articles or bylaws amendment.

(d) Other Requirements. The New Entity directors named in the Consolidation or Merger Agreement must sign and file articles of consolidation or merger in a manner, and stating the information, required by law. The Cooperative shall comply with all other requirements for consolidation or merger specified by law.

ARTICLE XIII AMENDMENTS

Section 13.01. ~~These bylaws may be altered, amended or repealed by the members at any regular or special meeting, provided notice of such meeting has been given in accordance with Article 3.03. Any proposed amendment or repeal of these bylaws may be initiated by the Board of Directors by appropriate resolution or by a written petition signed by at least fifteen (15) members in each county within the service area, presented to the Secretary at least sixty (60) days prior to the meeting at which the proposed amendment is to be voted upon.~~

ARTICLE XIV AMENDMENTS OF BYLAWS

Section 14.01 Amendments of Bylaws.

(A) Member Vote. Except as otherwise provided in these bylaws, these bylaws may be adopted, amended, repealed and/or revised ("Amended") only at a member meeting by the affirmative vote of a majority of those members voting on the matter.

(B) Initiation of Bylaw Amendment. A proposed adoption, amendment, repeal and/or revision of these bylaws ("Amendment") may be initiated for a vote by the members only by:

- (1) The Board of Directors; or
- (2) Written petition of members submitted to the Secretary of the Cooperative at the headquarters of the Cooperative, which petition:

(a) Shall contain:

- (i) the full text of the proposed Amendment(s);
- (ii) any explanations and/or purposes for such Amendment(s) as the petitioners may wish to present to the Board of Directors and the members;
- (iii) the printed name, member account number, current billing address, original signature, and date of signature of at least 300 members in each of Charles County, St. Mary's County, a combination of Calvert and Anne Arundel counties, and Prince George's County, all of whom signed within 60 days before the petition is submitted to the Secretary, and all of whom are members in good standing at the time the petition is submitted to the Secretary; and
- (iv) the name and contact information of the person who is submitting the petition and with whom the Cooperative can correspond regarding the sufficiency of the petition, the date of the member meeting at which it may be submitted to a vote of the members, or any other issue.

(b) Shall not be altered or modified after being submitted to the Secretary;

(c) Shall be reviewed by the Board of Directors and its attorney for sufficiency of the petition, for sufficiency and legality of the proposed Amendment(s), and for effect of the proposed Amendment(s) on the Cooperative and the members, after which review the Board of Directors may comment on and sponsor or oppose the petition; and

(d) Provided further, that the Board of Directors shall not cause any such petition for a proposed Amendment to be noticed or acted upon, nor permit any such Amendment to be acted upon, if the Board of Directors determines that such, if adopted, would be illegal or a legal nullity.

(C) Notice of Proposed Amendment. No proposed Amendment shall be submitted to a vote of the members unless timely notice thereof, and any comments, sponsorship and/or opposition relating thereto by the Board of Directors as it may wish to provide, has been given to the members as required by Section 3.03.

(D) Changes to Proposed Amendments. No proposed Amendment may be substantively altered or amended after notice thereof has been given or from the floor of the member meeting at which it is being considered.

(E) Notice of Adoption. The Cooperative shall give the members notice of the approval of an Amendment within 90 days after the vote of the members approving such Amendment by any combination of (i) mail, (ii) electronic transmission, or (iii) by posting the Amendment on the Cooperative's website. The failure of any member to receive such notice shall not invalidate the Amendment or its applicability to the member who failed to receive such notice.

(F) Effective Date. Except as otherwise provided in the motion to adopt an Amendment, such Amendment shall be effective on the day immediately following the close of the meeting at which the Amendment was adopted by the members.

Stricken text (e.g., ~~organizations which are~~) indicates proposed deletions.

Underscored text (e.g., business organizations) indicates proposed additions.

September 1

SMECO offices closed. Our Contact Center is available 24/7.

Customer Service:
1-888-440-3311
Report an Outage
1-877-747-6326
(1-877-74-SMECO)
www.smeco.coop

September 6

Second Annual Car Show

Sponsor: Mt. Zion United Methodist Church

2 to 7 p.m. 27108 Mt. Zion Church Road (near Apple Basket), Mechanicsville. Trophies for the top 30 and five specialty awards (vehicles must be registered by 4 p.m. to be judged). Awards will be presented at 6 p.m. T-shirts to the first 20 cars, trucks, or motorcycles through the gate and dash prizes to all, door prizes, DJ, music, Blessing of the Cars, vendors, food, and more. **\$ Admission.** Children 12 and younger admitted free. (Proceeds benefit the United Methodist Men's Group Charity Donations.) Registration fee. Pre-registration form must be postmarked by August 23, 2014. For further information regarding car registration, contact Jimmy Herriman at 301-481-0360. For vendor information, contact Tom Keller at 301-481-6388. Vendors must be pre-registered and approved. The rain date is September 13, 2014.
301-481-6388 and 301-481-0360
mtzionmech.org

September 7

Seafood Dinner

Sponsor: Holy Angels Catholic Church

11:30 a.m. to 4 p.m. Holy Angels Church Hall, 21340 Colton Point Road, Avenue. The all-you-can-eat menu includes: Fried Oysters, Steamed Spiced Shrimp, Crab

Balls, Fried Chicken, Parsley Potatoes, Green Beans, Cole Slaw, Pickled Beets, and trimmings. Carryout available. There will be homemade desserts and a craft table. The Raffle Prize this year has a first prize of \$1,000 and a second prize is \$500. You do not need to be present to win. Call or e-mail to purchase advance tickets.
301-769-3332

September 13

Indian Discovery Day

Sponsor: Historic St. Mary's City

10 a.m. to 4 p.m. Historic St. Mary's City. Admission to Historic St. Mary's City is required. Explore and celebrate the life ways of Maryland's first people. There will be Native American dancers, hide tanning demonstrations, canoe burning, archery, and atlatl demonstrations, as well as crafts to make and take home.

240-895-4990
stmaryscity.org/visit/calendar

September 27

Militia Muster

Sponsor: Historic St. Mary's City

10 a.m. to 4 p.m. Town Center and State House lawn, Historic St. Mary's City. Admission to Historic St. Mary's City is required. The St. Mary's City Militia will muster for drills, mock battles, and fencing. Visit an encampment, march along, and watch a musket fire demonstration.

240-895-4990
stmaryscity.org/visit/calendar

RiverFest

Sponsor: Historic St. Mary's City

10 a.m. to 4 p.m. Historic St. Mary's City. Featured will be 101 ways to protect and enjoy the area's waterways. Free.

240-895-4990



Local students join 2014 Youth Tour

SMECO joined other cooperatives from around the nation at the Youth Tour in Washington, D.C. with four local high school students from our service territory. SMECO chaperones **Natalie Cotton** and **Charlie Herbert** took **Jadea Deahl** from Patuxent High School, **Jessica Gardiner** from St. Mary's Ryken High School, **David Maurer** from Lackey High School, and **Lindsey McFadden**, from Gwynn Park High School to the 2014 Youth Tour.

The goal of the Youth Tour is to help students learn more about our government in action during their week-long study tour of the nation's capital, where they meet members of congress.

In 1964, approximately 400 young people from 12 states attended. Since that time, the Youth Tour has continued to grow, and in 2014, there were over 1,600 young people and chaperones representing 640 cooperatives throughout the United States. More than 50,000 students have participated in the Youth Tour over its history.



From left: Lindsey McFadden; Jessica Gardiner; Jadea Deahl; Congressman Steny H. Hoyer (MD-5); Natalie Cotton, SMECO chaperone; David Maurer; and Charlie Herbert, SMECO chaperone.