



INFORMATION GUIDE  
FOR POTENTIAL DIRECTORS

2012

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STAYTON COOPERATIVE TELEPHONE COMPANY (SCTC)  
MISSION STATEMENT

**Mission**

We are committed to providing our members and customers:

- High quality, reliable communication services
- Excellent customer service
- Courteous, well trained and professional employees
- State of the art technology
- Reasonable and affordable rates
- A successful Company now and in the future

**Vision**

Our vision is to improve the quality of life and prosperity of our members and customers by providing communication services that are reliable, reasonably priced and tailored to meeting their needs.

**Values**

In conducting our business, we pledge to communicate honestly and conduct our business with the highest standards of ethics, trust and integrity.

## MEETING SCHEDULE

A. **Regular Board of Director Meetings**

The meetings are held in the boardroom at the SCTC Administrative Office located at 411 N Second Avenue in Stayton, Oregon. The meetings are held on the second Wednesday of each month unless otherwise scheduled. The meetings begin at 7:00 p.m.

B. **Special Board Meetings**

Occasionally, a special board meeting is called to conduct specific business. The meeting place is at the same location as the Regular Board Meeting.

C. **Annual Meeting**

The annual meeting of the members is usually held the third Thursday of April.

D. **Committee Meetings**

Occasionally, specific items require a committee to research. The meeting place for the committee meetings can be designated by the committee chair.

E. **Industry Meetings/Seminars**

It is the policy of the Cooperative to keep its directors well informed regarding developments in the communications industry.

Because of the increasing complexity of, and the constant change in the telephone industry, our Cooperative participates in the Director Education programs provided by the National Telephone Cooperative Association and other organizations.

The following industry meetings are normally attended by the Board of Directors for educational purposes:

NTCA Annual Meeting	(national)
NTCA Fall Conference	(national)
NTCA Regional Meeting	(regional)
OTA Annual Meeting	(state)

Beginning in 2010 the following guidelines have been adopted for industry meeting attendance. Directors may choose one national meeting to attend per year. In addition Directors may also attend regional or state meetings at their discretion. The Board Chair may attend all meetings at his/her discretion. If unable to attend, the Chair may appoint an alternate Director to attend a meeting in his/her place. This guideline does not include new Directors. New Directors are encouraged to attend all industry meetings during their first term of office.

F. **Community Events**

Directors may be called upon to help out at our Customer Appreciation Day event.

## LEGAL QUALIFICATIONS TO SERVE AS A DIRECTOR

As set forth in Article 4, Section 4.5 of the Stayton Cooperative Telephone Company bylaws:

Any person may become or remain a director of the Cooperative except a person who:

- a. Fails to maintain continuous membership during tenure;
- b. Fails to maintain continuous residence in the area from which nominated if that position represents a territorial area or a director serving as a representative of a member which is other than a natural person who fails to maintain continuous residence in the area from which nominated. Provided, a director who changes residence from one area to another area shall continue to serve as director until the next annual election. At that election, a successor shall be elected to serve the remainder, if any, of the unexpired term to which the director was elected. If the term to which the director was elected expires at that annual meeting, the successor shall be elected to a full term.
- c. Is an employee of the Cooperative or its affiliated companies or is employed by or has a substantial financial interest in a competing enterprise.
- d. Fails to attend two consecutive director's meetings, whether regular or special, without an acceptable excuse. The remaining members of the Board shall be the exclusive judges as to whether or not such excuse shall be accepted.
- e. Is closely related to an incumbent director or an employee of the Cooperative or its affiliated companies.
  - (1) As used here, "closely related" means a person who is either a spouse, child, grandparent, parent, brother, sister, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, stepparent or stepchild of the incumbent director or employee.
  - (2) Also, as used herein, "employee of the Cooperative or its affiliated companies" includes both current employees and former and retired employees who were employed by the Cooperative within the last three years; and
  - (3) Further, as used herein, "affiliated company" includes any legal entity in which the Cooperative either directly or indirectly owns more than 10 percent of the ownership interest.
- f. A violation of this section shall not invalidate any action taken by the Board.

## DIRECTOR RESPONSIBILITIES AND POSITION DESCRIPTION

### DEFINITION OF DIRECTOR

The board of directors is the body legally responsible to the members for co-op management. It is therefore important for every director to know what that responsibility involves and how he/she, as an individual director, fits into the picture.

The board is elected by, and gets its authority from, the co-op membership and therefore is directly accountable to it.

### JOB DESCRIPTION

The board's responsibility for management cannot be delegated to any individual director. It is vested in the board as a whole. The board is subject only to control by the member-owners of the cooperative and to the limitations imposed by state laws, the articles of incorporation, and the co-op bylaws.

Except for the specific duties given to the officers (president, vice president, secretary and treasurer) by law and by the bylaws, each director shoulders equal responsibility with all other directors for the conduct of the co-op's affairs. It is one of the major responsibilities of the president to make sure that actions taken by the board represent the considered judgment of the board as a whole.

Since the board meets generally only once a month and the directors are not technical experts in the telephone business, the board employs a manager to whom it delegates authority for the general management of the organization.

#### **Major Responsibilities of the Board**

As the group that carries full responsibility for the cooperative and for its functioning as a democratic, nonprofit membership association, the directors must be aware of and take action on many matters.

The board's responsibility for efficient management includes a concern for a balanced management program in which all aspects of co-op management are given proper attention. It includes a recognition of the importance of keeping full and accurate records of income and outgo, of material inventories, of subscriber accounts, and of the business meetings of the board and of the membership. Minutes of all meetings need to be prepared fully and promptly, so that a reliable record of what took place is always available for reference.

#### **Specific Responsibilities of the Board are:**

1. Selecting a competent manager and making sure that he or she does a good job.
2. Approving policies for the guidance of the manager and his or her staff and of the members, and making sure that they are carried out through proper delegations of authority.

3. Approving plans for the development of the co-op and seeing to it that they are carried out.
4. Making sure that adequate funds, in the form of equity capital and loans, are available for operations and the continuing demand for additions and replacement of plant and equipment because of growth and obsolescence.
5. Approving budgets and making sure they are carried out satisfactorily.
6. Making sure that bylaws adopted will promote effective democratic control by the membership and provide for nonprofit operation in accordance with co-op principals.
7. Taking adequate steps for keeping the members informed of their rights and responsibilities as owners of the co-op, of the progress and problems of the co-op, and of ways in which the members can cooperate with co-op management to get maximum benefit from the co-op service.
8. Planning and conducting annual and other members' meetings which the members will find worthwhile attending.
9. Promoting good community relations for the co-op.

### **The Co-op Director's Job**

How effectively the board carries out the responsibilities outlined above will depend on how well each individual director understands and does what the members have a right to expect of him/her.

First of all, a director of a telephone co-op should understand the cooperative form of private enterprise. Each director needs to inform him/herself about the reasons why people have organized co-ops, about the principles on which co-ops are based, about the best ways of putting those principles into practice for the good of the co-op membership.

A director needs to familiarize him/herself with his/her own co-op; why and how it was organized, its bylaws, policies and operating rules, its organizational, financial and operating procedures.

A co-op director is expected to be able and willing to devote a reasonable amount of time and energy to the co-op business without compensation except for expenses incurred. It is the director's obligation to attend board meetings regularly.

At board meetings, the director should give open-minded consideration to all matters before the board and then vote according to his/her own best judgment. Since the decision of the majority of the directors is the decision of the board, each director must comply with it even if he/she personally considers it unwise, provided the decision was within the board's authority to make and does not violate any law. While a director may represent a particular section of the co-op membership, it is his/her duty as a director to act for the good of the co-op membership as a whole.

A co-op director must not give orders to any employee or otherwise interfere with the authority and functions of the manager. However, it is not only a director's right, but also duty to insist that the manager give full information to the board on all matters, which are the board's concern. That is essential if the board is to carry out its responsibilities intelligently.

As a trustee on behalf of the membership, a co-op director should be careful to avoid even the appearance of using his/her position for his personal gain or for the benefit of friends or relatives.

The directors should do all they can to keep the co-op from getting involved in partisan politics. A director should not carry grudges nor let personal dislikes interfere with his/her duties as a director. A director should always keep in mind that the co-op is owned by its members and that they look to him/her and fellow-directors for doing everything possible to strengthen the co-op as a user-owned and controlled service enterprise.

## PROCEDURES GOVERNING DIRECTOR ELECTIONS

The following procedures are intended to promote fair and impartial elections for directors of SCTC and should be interpreted and construed in such a manner as to further that purpose.

A. Prior to the meeting of the nominating committee the Secretary of the Cooperative shall notify the membership of the upcoming election of directors at the annual meeting and encourage members interested in serving as a director to submit the necessary paperwork to the Secretary by its deadline.

Notification to the membership may include, but not necessarily be limited to, the following: announcements in the company newsletter, message page, website, and notices published in newspapers.

C. All members interested in serving as a director of the cooperative shall be furnished an Information Guide for Potential Directors and invited to attend an informal gathering of the nominating committee prior to the actual meeting of the nominating committee.

D. Every member who desires to be considered for nomination as director of the cooperative by the nominating committee shall submit the following:

- A completed candidate biography form.
- A written statement setting forth the reasons why the candidate wants to serve as director. This statement will be your candidate statement that will be sent to the membership if nominated.
- A certification of eligibility.
- Such other written materials as a candidate may deem appropriate for consideration by the committee.

E. Directors of the cooperative shall annually approve members of the cooperative to serve as a member of the nominating committee by no later than the January board meeting. One director and two members shall serve on the nominating committee. No close relative of a director or employee of the company or its subsidiaries may serve on the nominating committee. "Close relative" means spouse, child, grandparent, parent, brother, sister, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, stepparent or stepchild. Only members in good standing are eligible to serve on the nominating committee.

G. The nominating committee shall meet at least 60 days prior to the annual meeting. The committee shall first elect a chair and recording secretary. The committee shall review the cooperative's bylaws governing directors, the Information Guide for Potential Directors and the Procedures Governing Director Elections as well as all written materials submitted to the committee by every member who desires to be considered for nomination as director of the cooperative. After review and discussion, the committee shall nominate as many candidates for each director position to be elected at the next annual meeting as the committee deems desirable. In all cases, the committee must nominate at least one candidate for each director position to be elected.

H. Any member not receiving a nomination from the nominating committee may be nominated by petition by obtaining at least fifteen (15) **valid** signatures of members in good standing at least 45 days prior to the annual meeting. All candidates for director who are nominated by petition shall submit the following:

- A completed candidate biography form.
- A written statement stating the reasons why the candidate wants to serve as director. This statement will be used as the candidate statement.
- A certification of eligibility.

Failure to submit the minimum number of signatures and/or required written materials by the deadline will result in that member's name not being placed on the official ballot. No nominations from the floor of the annual meeting are permitted by the cooperative bylaws.

I. Candidates for director are not permitted to use company copyright materials, including company logo, in any printed campaign materials that the candidate may wish to provide to members. No customer proprietary information, including member addresses and telephone numbers, will be provided to any candidate for director.

J. The secretary of the cooperative shall mail a notice of the annual meeting to all members in good standing not less than 7 days or more than 30 days prior to the date of the meeting. The notice will include the place, day and hour of the annual meeting, written statement of each candidate for director by district in alphabetical order and a ballot.

K. Directors shall be elected by position by majority vote except when three or more candidates are running for the same office, the director shall be elected by plurality vote. When two or more candidates for the same office, after a full recount of votes, have an equal and the highest number of votes the Chair shall have the candidates meet to decide by lot who is elected.

L. Results of the election of the directors shall be announced prior to the close of each annual meeting.

CERTIFICATE OF ELIGIBILITY  
TO SERVE AS DIRECTOR

Pursuant to Article 4, Section 4.5 of the Bylaws of SCTC, members of the cooperative are not eligible to serve as a director of the cooperative if they do not meet the following criteria:

1. Member must maintain continuous membership during tenure.
2. Member must maintain continuous residence in the area from which nominated if that position represents a territorial area.
3. Member is not an employee of the Cooperative or its affiliated companies.
4. Member is not employed by nor has a substantial financial interest in a competing enterprise.
5. Member fails to attend two consecutive director's meetings without an acceptable excuse.
6. Member is not a close relative\* of an incumbent director or employee of the cooperative.

I affirm under the penalties of perjury that I have reviewed the foregoing legal qualifications and certify that I am eligible to serve as direct of Stayton Cooperative Telephone Company.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

STATE OF OREGON

COUNTY OF \_\_\_\_\_

Signed and sworn to before me, on \_\_\_\_\_, 20\_\_\_\_ by

\_\_\_\_\_.

\_\_\_\_\_  
Notary Public – State of Oregon

\* "Close relative" means spouse, child, grandparent, parent, brother, sister, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, stepparent or stepchild.

**DIRECTOR CANDIDATE BIOGRAPHY FORM**  
**Please type or print**

Position Seeking: \_\_\_\_\_ Member of cooperative since: \_\_\_\_\_

Name:	_____		
Address:	_____		
City:	_____	State: _____	Zip: _____
Phone:	_____	E-mail:	_____

Current Employment: \_\_\_\_\_

Position Held: \_\_\_\_\_

Prior Significant Employment and position(s) held: \_\_\_\_\_

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Educational Background (schools attended, degrees earned): \_\_\_\_\_

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Specialized training or skill you possess that may be beneficial as a director of the cooperative:

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Civic and/or charitable affiliations and positions held: \_\_\_\_\_

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Other Biographical Information that may be important to know: \_\_\_\_\_

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## SCTC DIRECTOR POSITIONS

**Director Positions** Four Director nomination positions by specific territorial area and three at large positions representing the entire exchange are established as follows:

**POSITION NO. 1 and 2 Territorial Area** All within the Urban Growth Boundary (“UGB”) of Stayton, Oregon, and that territory within the following described area: beginning at the intersection of Hwy 22 and the northwesterly corner of said UGB; then proceeding northwesterly along Hwy 22 to a point where it intersects with the westerly line of the telephone exchange; then proceeding southerly along the westerly telephone exchange line to Shaff Rd; then proceeding easterly along Shaff Rd to the point where it intersects with the westerly UGB line; then proceeding northerly along said westerly UGB line to the point of origin.

**POSITION NO. 3 Territorial Area** All within the city limits of Sublimity, Oregon and that territory within the following described area: All north of Hwy 22 and north of or west of the following: Following Fern Ridge Rd east of Hwy 22 to the intersection with Boedigheimer Rd; then north along Boedigheimer Rd to Coon Hollow Rd; then easterly along Coon Hollow Rd to Dennison Rd; then north on Dennison Rd to Triumph Rd; then northwesterly along Triumph Rd to the intersection with Carter Rd; then north along Carter Rd to the Silver Falls Hwy; then northeasterly along the Silver Falls Hwy to Union Hill Rd; then northerly along Union Hill Rd to the exchange boundary.

**POSITION NO. 4 Territorial Area** All areas served and not included in Positions 1, 2 and 3.

**POSITION NO. 5 At Large**

**POSITION NO. 6 At Large**

**POSITION NO. 7 At Large**