

Don't forget the big day

This edition of Living in South Carolina Magazine was mailed early and should have arrived a day or two after you received your Official Notice Registration Postcard, which you'll need to put in a safe place to bring with you to the Annual Meeting of Members.

Only members who register, in person, to participate in the Annual Meeting of Members between the hours of noon and 7 p.m. on Tuesday, April 14, are eligible to receive the electric bill credit. To register, you will need your Official Notice/Registration Postcard that was addressed to you, PLUS a photo ID.



Official Notice/Registration Postcard

As I promised last month, this publication has all the information you'll need to be prepared for the Annual Meeting. Please remember that registration lines can be long, but the process will move a lot more easily if you're prepared with your postcard and photo ID.

Bylaw amendments to be considered

Two proposed amendments to the Bylaws of the cooperative will be taken up for consideration during the business portion of the Annual Meeting of Members. One change is necessary

in order for the cooperative to be in compliance with the South Carolina Uniform Unclaimed Property Act and the other provides for streamlining the presentation of the information with



James P. "Pat" Howle, CEO and Executive Vice President

regard to Trustee Districts. Horry County has grown tremendously over the past several years and the manner in which our trustee districts are currently described is not descriptively accurate and are more confusing than they are clear. Following the model policies provided by the National Rural Electric Cooperative Association, the proposed language includes provisions for periodic evaluation and appropriate notification should changes be made to the boundaries themselves and allows for a map, made available to the members upon request, to serve as a visual reference.

We look forward to seeing you on the 14th.

James P. "Pat" Howle

Horry Electric Cooperative, Inc.

Your Touchstone Energy® Partner
The power of human connections

P.O. Box 119

Conway, SC 29528-0119
Conway Office: 369-2211

Socastee Office: 650-7530



(to report power outages only)
369-2212

www.horryelectric.com

Johnny M. Shelley
President

James P. "Pat" Howle
Executive Vice President and CEO

Eugene Harriott Jr.
Vice President

Ashley Anderson
Secretary/Treasurer

Franklin C. Blanton Henry W. Boyd
Marcus E. Gerald Elaine D. Gore
Ben P. Harrelson Bobby E. Jordan

Newsletter Editor
Penelope D. Hinson
(843) 369-6333

Proposed amendments to the bylaws

The following will be taken up for consideration during the business portion of the Annual Meeting of Members:

Article IX, Section 9.02, page 24, the last section regarding Unclaimed Patronage Capital

Present: Unclaimed Patronage Capital. When a payment of patronage capital is declared and is not claimed after six (6) years, and the owner or his legal representative cannot be found after a diligent search, including letters and telephone inquiry, it shall be assumed that such unclaimed amount is added to donated capital after which the following shall be done:

(a) A list of names and last known address of such owners shall be posted for thirty (30) days after the closing of books each year at the main office and also at the branch office or offices of the Cooperative.

(b) At the expiration of such time with no claims, the members agree that such entire amount shall be credited to the general fund for the current year and to

benefit all members; in furtherance of the Cooperative principle that patronage funds are donated capital and the entire operation is non-profit.

Proposed: Unclaimed Patronage Capital: In compliance with the South Carolina Uniform Unclaimed Property Act (Title 27, Chapter 18 of South Carolina Code of Laws), Unclaimed Patronage Capital will be submitted to the State Treasurer of South Carolina and notice of unclaimed property will be administered in the manner prescribed by South Carolina Law. The Cooperative may regularly impose a reasonable dormancy fee for each year an owner fails to claim property held by the Cooperative.

Explanation: The proposed change is necessary in order for the Cooperative to be in compliance with the South Carolina Uniform Unclaimed Property Act. The last sentence, "The Cooperative may regularly impose a reasonable dormancy fee for each year an owner fails to claim property held by the Cooperative" is provision within the South Carolina Uniform Unclaimed Property Act that will allow us to continue to retain



some of the monies to benefit all members of the Cooperative.

Article IV, Section 4.05: Trustee Districts.

Present: The Cooperative's nine (9) trustees shall be so nominated and elected that one (1) trustee shall reside in each of the nine (9) Trustee Districts which are: *Districts #1 through #9 are individually described in detail. District #1 only appears here as an example:*

District 1: Beginning at the intersection of the Little Pee Dee River and the Run of Hunting Swamp, and running with the Run of said swamp in a northeasterly direction to S.C. Highway 24, known as Pee Dee Road; thence in a northerly direction with said Highway 24 to its intersection with S.C. Highway 934, known as Hendricks Shortcut Road; thence in a northeasterly direction with said Highway 934, to its intersection with U.S. Highway 378; thence in an eastwardly direction with said Highway 378 to its intersection with U.S. Highway 501 By-Pass in the City of Conway; thence in a southeasterly direction with said Highway 501 By-Pass to its intersection with the Waccamaw River; thence in a southerly direction with said river to Jackson Bluff Landing; thence continuing from said landing to Jackson Bluff Land Road; thence in an eastwardly direction with said Jackson Bluff Road to its intersection with S.C. Highway 544; thence in a southerly direction with said Highway 544 to its intersection with S.C. Highway 1121, known as Singleton Ridge Road; thence in a northeasterly direction with said Highway 1121 to its intersection with U.S. Highway 501; thence in a southeasterly direction with said Highway 501 to its intersection with U.S. Highway 137, known as Forestbrook Road; thence in a southwestwardly direction with said Highway 137 to its intersection with the aforementioned S.C. Highway 544; thence in a southeasterly direction with said Highway 544 to its intersection with the Intracoastal Waterway; thence in a southwestwardly direction with said waterway to its intersection with the aforementioned Waccamaw River; thence in a southerly direction with said river to its intersection with Bull Creek; thence in a northerly direction with said Bull Creek to its intersection with the Great Pee Dee River; thence in a northerly direction with the said Great Pee Dee River to its intersection with the Little Pee Dee River; thence continuing in a northerly direction with said Little Pee Dee River to the beginning point.

Notwithstanding the foregoing District descriptions, every year the Board of Trustees, not less than sixty (60) days prior to the earliest date on which the annual member meeting may be

scheduled by these Bylaws to be held, shall review the Districts and, if determining that they should be altered so as to correct any substantially inequitable factors regarding the residence of members or the geographic location of Districts, shall change and re-describe one or more Districts accordingly, in which event all Districts as so changed shall be noticed in writing precisely to the members not later than five (5) days prior to the date on which the Committee on Nominations for such meeting shall first convene. After such notice, these Bylaws shall have been effectively amended accordingly.

Proposed: Based on geographic, population, membership or other equitable consideration determined by the Board, the Cooperative may divide the general area in which the Cooperative provides service, or the Cooperative Service Area, into nine (9) districts that equitably represent the Members. The Cooperative's nine (9) trustees shall be so nominated and elected that one (1) trustee shall reside in each of the nine (9) Trustee Districts.

A map, prepared and maintained by the Cooperative, showing the geographic areas served by the Cooperative, the locations of its electric lines and the boundaries of each of the Trustee Districts, is on file at the Cooperative's main office and is available for inspection by any member upon request during the Cooperative's normal business hours.

Periodically, the Cooperative may revise the Trustee Districts to ensure equitable representation of Members. Within thirty (30) days following Trustee approval of Trustee District revision, and at least thirty (30) days before the next Annual Meeting of Members, the Cooperative must notify, in writing, Members affected by the Trustee District revision. Trustee district revisions are effective on the date the Cooperative releases written notice of the Trustee District revision. A Trustee District revision may not: (1) increase an existing Trustee's Term or (2) unless the affected Trustee consents in writing, shorten an existing Trustee Term.

Explanation: Given the rapid growth of Horry County and the renaming of roads within our infrastructure, the district descriptions, as they appear in the bylaws now, are not descriptively accurate. **While the boundaries have not been changed, the manner in which they should be described has changed.** The proposed amendment provides for periodic evaluation and appropriate notification should changes be made with regard to the boundaries themselves, **but eliminates the need for such when a simple adjustment needs to be made only to the physical description of the boundary.**

2009 trustee candidates

The following members of the cooperative have been nominated by the Nominating Committee or by petition as trustee candidates for a three-year term beginning April 15, 2009.

District #2

Bound by Run of Lake Swamp; Pee Dee Road (SC Hwy 99); SC Hwy 308; Page Rd; Jordan Rd (SC Hwy 130); SC Hwy 32 (Bud Graham/9th Ave Aynor); US 501; US Hwy 378; Hendricks Shortcut Rd (SC Hwy 934); Pee Dee Hwy (SC Hwy 99); Run of Hunting Swamp; Little Pee Dee River

**Bobby E. Jordan (incumbent)
525 Zion Road
Galivants Ferry, SC 29544**

Bobby Jordan and his wife, Linda Price, have three children and one grandchild.

Jordan retired from Santee Cooper after 28 years of service and is now owner/operator of Jordan's Lawn Service.

The Jordans are members of the Cool Springs Southern Methodist Church. He is currently a member of the board of trustees at the church; is a member of the cemetery committee and serves as an adult Sunday school teacher. Jordan has a long history of being involved with the church. He is a past member of the Board of Stewards and also served as assistant Sunday school superintendent.

Jordan is as involved in the community as he is in his church. He is a former director of the Horry County Museum and of the Playcard Environmental Education Center. He served three terms on the Advisory Board for the Aynor School District and was involved in formulating the strategic planning for Aynor

High School. In addition, he participated in strategic planning for the Horry County School District.

Jordan is also a member of the Horry County Historical Society and makes presentations on a volunteer basis at Indigo Farms, Playcard Environmental Education Center and at various schools, organizations and civic club meetings. His main topics of interest include Native American tool making, Native American history, compass reading courses, history of Horry County and Horry County native flora.

Jordan served six years in the United States Marine Corps and served in Vietnam in 1967. He served six years in the Army National Guard and is a recipient of the Purple Heart.

Jordan is a member of the Disabled American Veterans, Veterans of Foreign Wars and of the American Legion in Aynor. He is a charter member of the Military Order of the

Horry Electric Cooperative

Purple Heart.

Jordan has served as a trustee for Horry Electric Cooperative since 1997. He has successfully completed training through the National Rural Electric Cooperative Association and is a Credentialed Cooperative Director. He serves as a voting delegate to Central Electric Power Cooperative Board of Directors.

Jordan is a member of the Member and Public Relations Committee and of the Annual Meeting Committee of the Board of Trustees of Horry Electric Cooperative.

District #4

Bounded by Little Pee Dee/Lumber Rivers; SC/NC State Line; SC Hwy 410; SC Hwy 9; SC Hwy 45; SC Hwy 963; Barnhill Rd (SC Hwy 309); Hwy 19; Black Creek Rd; Calvary Church Rd; Willoughby Rd (SC Hwy 897); Hwy 917; Lake Swamp Rd; Pee Dee Rd; Run of Lake Swamp.

Frankie C. Blanton (incumbent) 6386 Maplewild Road Nichols, SC 29581

Frankie C. Blanton and his wife, Nancy, live in the Mt. Olive community and are members of Mt. Olive Baptist Church, where he has served as a Sunday school teacher, a deacon and a trustee. They have four children and four grandchildren.

Blanton was appointed as trustee following the death of Henry G. McNeill in 2007 and has successfully completed training through the National Rural Electric Cooperative Association to earn the status of Credentialed Cooperative Director.

An active member of the community, Blanton also currently serves on the boards of Loris Healthcare Systems and Horry County State Bank. He is a member of the Coastal Education Foundation, the Green Sea Floyds Athletic Booster Club and the Loris Blue Pride Booster Club.

Blanton serves as president and chief executive officer of Blanton Supplies, Inc., which is a retail building materials supply business with locations in Loris, Little River and Marion.

District #6

Bounded by Daisy Rd (SC Hwy 112); SC Hwy 348; Simpson Creek; Waccamaw River; Star Bluff Rd; Long Bay Rd; Atlantic Ocean; Atlantic Ocean to Red Bluff Rd (Hwy 31); Waccamaw River; Bear Bluff Rd (SC Hwy 377); Hwy 90; Lees Landing Rd; Waccamaw River to Grissett Landing; Hwy 905; Hwy 19; Adrian Hwy (Hwy 97); Cane Branch Rd; Southern Crest Dr; Daisy Rd; Heritage Rd; Red Bluff Rd (Hwy 31); Daisy Rd

Henry W. Boyd (incumbent) 2796 Highway 66 Loris, SC 29569

Henry W. Boyd and his wife, Pearl, live in the Beulah community near Daisy. They have two children, Sharra Bruton and Trenny Neff. They have five grandchildren.

The Boyds are very active members of the Beulah Baptist Church and the local community.

Boyd attended Coyne Electrical Institute and then served his country in the United States Army. He is currently semi-retired as a self-employed farmer.

He previously served on the Loris Schools Advisory Board and is currently a member of the Loris Blue Pride, which supports local student athletics.

Boyd has served as a trustee for Horry Electric Cooperative since 1978 and has successfully completed training through the National Rural Electric Cooperative Association to earn the status of Credentialed Cooperative Director. He has also earned a Board Leadership Certificate through NRECA. He has previously served as a voting delegate to the Electric Cooperatives of South Carolina Board of Directors and to Cooperative Electric Energy Utility Supply (CEE-US).

Boyd is chairman of the Annual Meeting Committee of the Board of Trustees of Horry Electric and is a member of the Bylaw and Policy Committee.

Horry Electric Cooperative, Inc. Board of Trustees



W. T. Johnson Jr.
Attorney



Elaine D. Gore
District No. 1



Bobby E. Jordan
District No. 2



Johnny M. Shelley
District No. 3
President



Franklin C. Blanton
District No. 4



Ben P. Harrelson
District No. 5



Henry W. Boyd
District No. 6



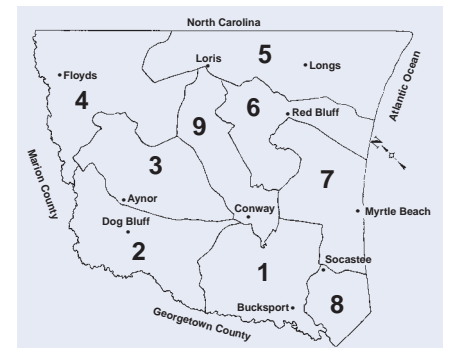
Ashley Anderson
District No. 7
Secretary and
Treasurer



Eugene Harriott Jr.
District No. 8
Vice-President



Marcus E. Gerald
District No. 9



Official notice of Annual Meeting

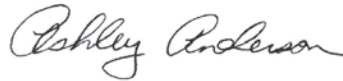
The Annual Business Meeting of the members of Horry Electric Cooperative, Inc., will be held at the Myrtle Beach Convention Center on Tuesday, April 14, at 7 p.m. The Myrtle Beach Convention Center is located at 2100 21st Avenue North, Myrtle Beach, South Carolina. Action will be taken on the following matters:

- 1) The report of Officers, Trustees and Committees
- 2) The election of Trustees
- 3) All other business which may come before the meeting of members.

Registration at the Annual Meeting begins at 12 noon and each Cooperative member is urged to be present and take part in the meeting.

Each member who registers will receive a \$15 credit on his or her electric bill. **ONLY THOSE WHO REGISTER, IN PERSON, AT THE ANNUAL MEETING BETWEEN THE HOURS OF NOON AND 7 P.M. ARE ELIGIBLE TO RECEIVE THE REGISTRATION GIFT.**

Prize drawings for additional gifts will be held following the business meeting. **You must be present at the time of the prize drawing in order to win.**



Ashley Anderson, Secretary-Treasurer

Grand prize

**2000 Chevrolet Blazer LS
4-door with roof rack**



Other Prizes:

\$400 First
\$200 Second
\$100 Third

PLUS,
drawings for more
than 50 door prizes!

**You MUST be present
at the time of the
prize drawing
in order to WIN!**

Annual Meeting program

12-7 p.m.Registration
2-7 p.m.Entertainment
7 p.m. Business Meeting
Prize Drawing
Adjournment



Wise energy use

A's to your Q's

Q: Will replacement windows pay for themselves?

A: If your windows now are single pane, installing storm windows can provide a payback in the 7-9-year range. Replacement windows may take considerably longer. You may have reasons other than saving energy for purchasing replacement windows.



Touchstone Energy Cooperatives

Registration gift

\$15

Credit on Electric Bill

Only those who register, in person, to participate in the Annual Meeting of Members of Horry Electric Cooperative, Inc., between the hours of noon and 7 p.m., on Tuesday, April 14, at the Myrtle Beach Convention Center are eligible to receive the Annual Meeting Registration Gift.

**ABSOLUTELY
NO EXCEPTIONS!**

2008 financial view

ASSETS

(WHAT WE OWN)

UTILITY PLANT

Electric plant in service at cost	\$ 263,418,410
Construction work in progress	10,024,782
Gross utility plant	273,443,192
Less: accumulated depreciation	46,120,348
Utility Plant — Net	<u>227,322,844</u>

OTHER PROPERTY AND INVESTMENTS

Investment in associated organizations	7,807,634
Notes receivable	279,800
Other investments	508,277

Total Other Property Investments **8,595,711**

CURRENT ASSETS

Cash and cash equivalents	33,739,100
Accounts receivable	7,237,289
Accounts receivable — other	438,085
Materials and supplies	4,850,729
Other	970,129

Total Current and Accrued Assets **47,235,332**

DEFERRED DEBITS

159,254

TOTAL ASSETS

\$ 283,313,141

EQUITIES AND LIABILITIES

(WHAT WE OWE)

EQUITIES

Membership fees	\$ 248,960
Patronage capital	49,268,996
Other equities	7,434,144
Total Equities	<u>56,952,100</u>

LONG-TERM DEBT

RUS—ECONOMIC DEVELOPMENT	273,971
RUS	130,978,991
FFB	53,327,824
CFC	11,939,312

Total Long-term Debt **196,520,098**

OTHER NONCURRENT LIABILITIES

Accumulated Operating Provision **5,745,331**

CURRENT LIABILITIES

Current maturities of mortgage notes	4,564,268
Accounts payable	12,922,332
Consumer deposits	3,766,509
Accrued and withheld taxes	27,696
Other current and accrued liabilities	2,814,807

Total Current Liabilities **24,095,612**

TOTAL EQUITIES AND

LIABILITIES **\$ 283,313,141**

At the time of publication, the audit report is not complete, but is being reviewed and audited by

McNair, McLemore, Middlebrooks & Co., LLP
389 Mulberry St., P.O. Box One, Macon, GA 31202

What we took in:	\$ 116,627,392
What we paid out:	<u>111,708,201</u>
Patronage capital and operating margins	4,919,191
Other income and equity	2,000,445
WE HAD LEFT:	<u>\$ 6,919,636</u>

Horry Electric Cooperative, Inc.

Your Touchstone Energy® Partner 
The power of human connections

Comparative operating statistics

	2008	2007	2006	2005	2004	2003	2002
GROWTH							
Average kwh per residential member per month	1,255	1,284	1,290	1,373	1,369	1,290	1,291
Average residential bill per month	\$137.62	\$127.26	\$130.35	\$133.38	\$117.70	\$109.73	\$103.33
Consumers on system	63,843	62,252	59,188	54,776	50,767	48,052	45,633
Miles of line	4,804	4,689	4,514	4,366	4,245	4,153	4,057
Average cost per kwh sold (cents)	10.9	9.8	10.0	9.6	8.5	8.4	7.9
EXPENSES							
Wholesale power	63%	62%	64%	63%	60%	60%	60%
Operating maintenance and general expenses	19%	20%	20%	21%	23%	23%	23%
Depreciation	8%	8%	7%	7%	7%	7%	7%
Interest	9%	9%	8%	8%	9%	9%	9%
Taxes	1%	1%	1%	1%	1%	1%	1%
Total	100%	100%	100%	100%	100%	100%	100%

It pays to be a member!

By Penelope Hinson

Not many businesses pay you for buying something you wouldn't want to live without — but electric cooperatives do.

The 'payment' happens through something known as 'capital credits'. Capital credits come from the money a cooperative has left over after paying all of its expenses in a given year. At the end of the year, that money is allocated to each member's account, according to the amount of electricity the customer bought.

When finances allow, Horry Electric Cooperative returns capital credits to its member/owners in the form of a capital credit check. "Last year, the cooperative disbursed more than \$750,000 from the capital credits account," said Jodi Braziel, manager of office services for the cooperative. "This year, we're proud to announce we'll once again be distributing \$750,000."

A different way of doing business

Unlike other types of companies, cooperatives do not have shareholders who expect to make money from the profits generated by the company. Cooperatives are not-for-profit businesses that exist solely to provide their members with a particular service such as electricity.

"In a co-op, the net margins don't belong to the company; they belong to the consumers who paid their monthly electric bills," said Braziel.

In effect, the members of a cooperative are the stakeholders. Because of that, when the cooperative takes in more money than is needed to run the business, the owners are entitled to a portion of it.

How do capital credits work?

A member's 'equity' in the cooperative is based on the amount of power the customer has purchased during the year.

"The more electricity the customer buys, the higher their share of equity," says Ashley Anderson, secretary and treasurer of the board of trustees of Horry Electric Cooperative. "The co-op sets up a credit account that shows on the books the share of the year's net margins belonging to each member."

Generally, the members don't receive a

Capital credit disbursement 2009

This year, member owners will be receiving a portion of the capital credits assignment for 1986, 1987 and 2008. The allowable retirement this year is \$1,000,000 less \$250,000 in estate payments. The total amount being distributed is \$750,000.

If you were a member in 2008, you will receive 5% of your 2008 assignment. If you were a member in 1986, you will receive the balance of your assignment for that year. If you were a member in 1987, you will receive 9% of your assignment for that year.

Example of 2008 allocation, retirement

You can calculate the approximate amount of your 2008 allocation and disbursement by using this example. Capital credit disbursements are made in the form of a capital credit check, which will be mailed to you by the end of April.

If your 2008 electric bills totaled:	\$200	\$500	\$1,000	\$1,500
The 2008 assignment percent is: (multiply the percentage times your bills)	5%	5%	5%	5%
Your capital credit assignment for 2008 would be:	\$12	\$30	\$60	\$90
We will be paying 5% of the 2008 margin assignment; your general retirement refund for 2008 would be approximately:	\$0.60	\$1.50	\$3.00	\$4.50

check the same year they earned the capital credits. "That's because electric cooperatives use their members' equity to fund system improvements," said Anderson.

"If we couldn't get the operating capital from member payments, we'd have to borrow from the bank or some other source, which would cause electric rates to go up," said Braziel.

As new member equity funds come in year after year, the cooperative is able to 'retire' its older capital credits funds, issuing members their share in the form of a capital credit check.

Due to the expense of processing and issuing checks, capital credit refunds below \$10 will be credited to the individual's electric account. "So if you don't get a check, you'll see a credit on your electric bill," said Braziel.

Capital credit checks are expected to be delivered to members by the end of April. "It's an exciting time for us around here," said Braziel. "Being able to return capital credits

is a direct reflection on the financial strength and stability of your cooperative and that's something in which we can all take pride.

"To help members calculate and estimate what their capital credit check might be, we created the chart at the top of the page," said Braziel. "If you still have questions, please don't hesitate to call us."†

Due to the expense of processing and issuing checks, capital credit refunds below \$10 will be credited to the member's electric account