

Horry Electric Cooperative, Inc.

www.horryelectric.com

MAIN OFFICE

P.O. Box 119
Conway, SC 29528-0119
(843) 369-2211



**TO REPORT
POWER OUTAGES ONLY**
(843) 369-2212

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Jennifer A. Cummings
jennifer.cummings@horryelectric.com

Horry Electric Cooperative, Inc., is an equal opportunity provider and employer.

Horry Electric Cooperative, Inc. is a non-profit, member-owned organization providing information and energy-related services on a fair and equitable basis.



A Touchstone Energy® Cooperative



One month until the 2022 Annual Member Meeting

THIS MONTH'S EDITION of *South Carolina Living* is the Official Notice of the Annual Member Meeting. The special

outer wrap includes more details on the 2022 Annual Member Meeting.

Your Official Annual Member Meeting Registration Card will arrive in the mail soon. Please put it in a safe place and bring it with you to our early Drive-Thru Registration and Voting event.

Only members who register in person on Tuesday, May 10, between the hours of 7 a.m. and 7 p.m., or on Wednesday, May 11, between 7 a.m. and 11 a.m., are eligible to receive the Registration Gift, which is a \$25 electric bill credit.

Early Drive-Thru Registration and Voting will be held at Horry Electric's Conway office, located at 2774 Cultra Road. This location is in the center of our county and we feel this is the most convenient place for the majority of our members.

The business meeting will be held virtually on Wednesday, May 11 at 7 p.m. You can watch the meeting online at horryelectric.com under the "Featured" section of the homepage.

Important reminders

Official Annual Member Meeting Registration Cards are addressed directly to the member on record for each account. In addition to bringing your registration card, you will need a photo ID to register.

Members will enter our employee parking lot and traffic attendants will direct vehicles into a registration lane. Each lane leads to a registration table under our truck shed.

When members pull up to a registration table, employees will scan the special barcode on the registration card to register the account. Members will then vote on the three positions for the board of trustees. On average,

the entire process takes about two minutes. Once registration is complete, members will exit our parking lot toward Highway 501.

The Socastee office will be closed May 10-11. The Conway office will be closed May 10, but will reopen at 1 p.m. on May 11. During the Annual Member Meeting Registration and Voting event, the Conway office drive-thru lanes will be closed. This means members will not have access to the Conway night deposit box or kiosk beginning Tuesday, May 10 from 5 a.m. through 1 p.m. Wednesday, May 11.

Registration requirements

Horry Electric's bylaws require a quorum equal to 5% of the membership to conduct an official business meeting. With a preliminary estimate of 72,715 members, we'll need to have a minimum of 3,636 members register. If we fail to meet quorum, we will not be able to do business. Please make plans to attend.

See you soon

We are counting down the days until we're able to see everyone. The Annual Member Meeting registration is a great time for us to connect with our members. Even though it's a quick process, we love the opportunity to get to know our members better.

With the business meeting being held virtually, if you have any questions for the board or myself, please submit those questions in writing to my attention prior to May 1. This will allow us to address your questions during the virtual business meeting on May 11.

We look forward to seeing you!

Daniel B. Shelley, III

DANIEL B. SHELLEY, III
Executive Vice President and CEO



Official notice of the Annual Member Meeting

HEC Conway Office, 2774 Cultra Road

THE ANNUAL BUSINESS MEMBER MEETING of Horry Electric Cooperative, Inc. will be held virtually on Wednesday, May 11 at 7 p.m. We will hold a day and a half of Drive-Thru Registration and Voting on May 10–11 at our Conway office, located at 2774 Cultra Road. Action will be taken on the following matters:

- ▶ The report of officers, trustees and committees;
- ▶ The election of trustees;
- ▶ All other business which may come before the member meeting, including any necessary bylaw changes.

Drive-Thru Registration begins at 7 a.m. and each cooperative member is urged to attend. We also urge members to tune in to the virtual meeting.

Each member who registers will receive a \$25 credit on their bill. Only members who register, in person, on Tuesday, May 10, between the hours of 7 a.m. and 7 p.m., or Wednesday, May 11 between the hours of 7 a.m. and 11 a.m., are eligible to receive the registration gift.

Members who register will be automatically entered in the prize drawings. Prize winners will be announced following the virtual meeting.

May 10, 7 a.m.–7 p.m.	Early Drive-Thru Registration and Voting
May 11, 7 a.m.–11 a.m.	Early Drive-Thru Registration and Voting
May 11, 7 p.m.	Virtual Business Meeting

ASHLEY ANDERSON
Secretary/Treasurer

HORRY EXTRA

2021 financials, board members and trustee candidates, capital credits

Be sure to see Pages 20A–20D in this month's magazine. You can review the cooperative's 2021 financials, see the board member district map, read bios of our trustee candidates and get details on our 2022 capital credit disbursement.

Join us!

Early Drive-Thru Registration and Voting

Tuesday, May 10, 7 a.m.–7 p.m.

Wednesday, May 11, 7 a.m.–11 a.m.

HEC Conway Office, 2774 Cultra Road

Virtual Business Meeting

Wednesday, May 11, 7 p.m.

Watch the business meeting online at horryelectric.com.

Registration Gift

\$25 electric bill credit

Only those who register, in person, at the Horry Electric Cooperative Conway office on May 10, between the hours of 7 a.m. and 7 p.m., or Wednesday, May 11 between the hours of 7 a.m. and 11 a.m., are eligible to receive the annual member meeting registration gift. No exceptions.

Prize Drawings

\$400

First prize

\$200

Second prize

\$100

Third prize

Plus, drawings for more than 50 other door prizes!

Prize winners will be notified following the virtual meeting.

Grand Prize

Electric Golf Cart

Picture not actual model. Actual model may vary in color and style.



Co-op returning \$4.1 million in capital credits to members

THIS MONTH, Horry Electric Cooperative will return approximately \$4.1 million to members who had active accounts in 2006 and/or 2021.

These payments reflect a unique feature of cooperative businesses—capital credits. After the co-op has paid expenses for a given year, remaining margins are allocated to members through capital credits. When finances allow, co-ops like Horry Electric retire capital credits and refund those retired margins to members. This spring, members who had co-op accounts in 2006 and/or 2021 will receive payments based on how much electricity they paid for during those years.



Jodi Jordan, office manager for Horry Electric, says the co-op refunds capital credits below \$100 to an active member's account.

"Individuals who were members in 2006 and/or 2021 who don't get a check, will see a credit on their electric bill," she notes.

Capital credit checks are expected to be delivered to members by the end of April.

"It's an exciting time for us around here," she adds. "Being able to return capital credits is a direct reflection of the financial strength and stability of your cooperative. We can all take pride in this accomplishment."

The chart below is designed to help members calculate and estimate what their capital credit check might be. Questions about capital credits? Call the Member Service Department at (843) 369-2211.

Capital credit disbursement 2022

THE ALLOWABLE RETIREMENT this year is \$4,785,325.70 less \$600,000 in estate payments. The total amount being distributed is \$4,185,325.70 which includes the \$3,785,325.70 balance of 2006 and \$400,000 of 2021.

If you were a member in 2021, you will receive 2.02% of your 2021 assignment. If you were a member in 2006 you will receive the remaining unretired balance of your assignment for that year.

If your 2021 electric bills totaled:	\$1,000	\$1,500	\$2,000	\$2,500
The 2021 assignment factor is: (multiply the percentage times your bills)	11.6%	11.6%	11.6%	11.6%
Your capital credit assignment for 2021 would be:	\$116	\$174	\$232	\$290
The 2021 retirement percentage will be 2.02% of your capital credit assignment.	2.02%	2.02%	2.02%	2.02%
Your general retirement refund for 2021 would be approximately:	\$2.34	\$3.51	\$4.69	\$5.86

You can calculate the approximate amount of your 2021 allocation and disbursement by using this example. Capital credit disbursements are distributed by the end of April.

It pays to be a member!

NOT MANY BUSINESSES pay you for buying something you wouldn't want to live without—but electric cooperatives do.

Unlike other types of companies, cooperatives do not have shareholders, who expect to make money from the company's profits. Co-ops are not-for-profit businesses that exist solely to provide their members with a particular service, such as electricity. In a cooperative like Horry Electric, members are stakeholders.

"In a co-op, the net margins don't belong to the company; they belong to the members who paid their monthly electric bills," explains Jodi Jordan, office manager for Horry Electric.

When the co-op takes in more money than is needed to run the business, the owners are entitled to a portion of those margins. It's an example of the Cooperative Principle of Member Economic Participation.

Each year, money is allocated to each member's account, according to the amount of electricity the member bought, notes Ashley Anderson, secretary/treasurer of Horry Electric's board of trustees.

"The more electricity purchased, the higher their share of equity. 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," Anderson says.

Generally, members don't receive a check the year they earned the capital credits. "That's because electric cooperatives use their members' equity to fund system improvements," Jordan says.

Jordan adds, "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."

Board of Trustees



Elaine D. Gore
District No. 1



Aaron C. Johnson
District No. 2



Johnny M. Shelley
District No. 3
President



Franklin C. Blanton
District No. 4



Ronald H. Floyd
District No. 5



Jody D. Prince
District No. 6



Ashley Anderson
District No. 7
Secretary/Treasurer



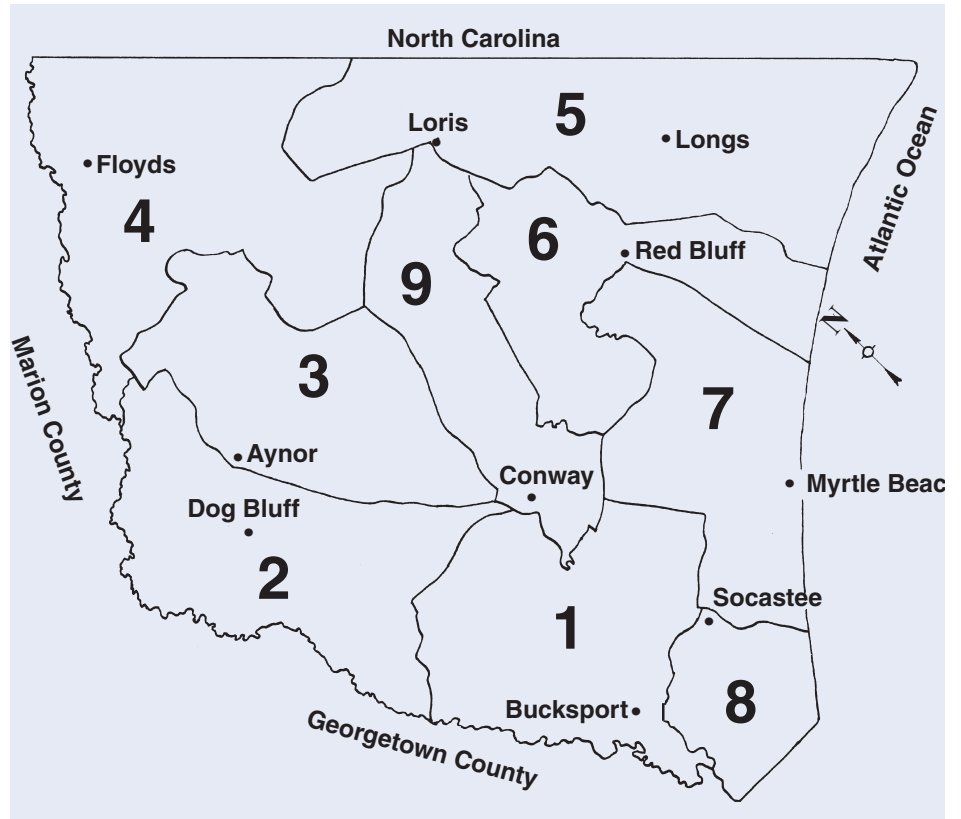
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District No. 8
Vice President



Freddy Thompkins
District No. 9



Kenneth Moss
Co-op Attorney



Horry Electric Cooperative, Inc.

Statement of nondiscrimination

Horry Electric Cooperative, Inc. is an equal opportunity provider and employer.

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made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed complaint form or letter to USDA by:

- (1) mail: U.S. Department of Agriculture
Office of the Assistant
Secretary for Civil Rights
1400 Independence Avenue, S.W.
Washington, DC 20250-9410
- (2) fax: (202) 690-7442; or
- (3) email: program.intake@usda.gov

Meet the candidates

THE MEMBERS of the Nominating Committee, duly assembled, after giving full consideration to the district location, did nominate the following members of the cooperative as trustee candidates for a three-year term.



District #1

Elaine D. Gore

Incumbent

6200 Pauley Swamp Road
Conway, S.C. 29527

ELAINE GORE and her late husband, Dr. John G. Gore, have four children and

eight grandchildren.

Gore is a lifetime member of the Fair Bluff Methodist Church. She has served as Executive Director for the Horry County Council on Aging, where she has been employed since 1988. During her service with the council, she has had the opportunity to assist in implementing many programs that have helped provide basic needs for senior citizens in Horry County.

The Council operates 11 senior centers and provides programs such as home-delivered meals and homemaker services. Their programs have been recognized throughout the state and have won numerous state awards.

Gore is an active part of the Horry County community. Her volunteer position with a non-profit board of Horry County assisted in the successful completion of a non-profit assisted-living facility, Anderson Oaks, on Highway 90. She has been a past member of the Horry County Architectural Review Board and was an integral participant in the formation of the South Carolina Tobacco Growers Association. With her love of Horry County and history, Gore has successfully restored an 1868 farmhouse in the far western part of Horry County to be used for a future bed-and-breakfast.

Gore has served as a trustee for Horry Electric since 2001. She represented Horry Electric on the board of Central Electric Power Cooperative for 10 years. She has successfully completed numerous training courses through the National Rural Electric Cooperative Association and has earned the status of Credentialed Cooperative Director. She has also earned her Board Leadership certificate through NRECA and recently achieved status as an NRECA Certified Gold Director.



District #5

Ronald H. Floyd

Incumbent

2243 West Dogwood Road
Green Sea, SC 29545

RONALD FLOYD and his wife, JoAnn, have two sons and six grandsons.

He is a lifetime member of Green Sea Baptist Church, where he has served as Deacon and in many other capacities.

A graduate of Tabor City High School and North Carolina State University, Floyd is a licensed auctioneer in both South Carolina and North Carolina. Floyd is the owner of Floyd's Auction Service. Retired from service as a rural letter carrier for the United States Postal Service, he was the recipient of the 2011-2012 Hero of the Year Award of the National Rural Letter Carriers' Association.

Floyd has served on the boards of a variety of organizations over the years, including Twin City Farmers Co-op, Tabor City Lions Club, Tabor City chapter of Wildlife Action and the South Carolina Auctioneers Association. He was presented with the Distinguished Service Award by the Loris FFA Booster Club for 2011-2012. He currently serves on the Horry County Extension Advisory Council.

Floyd has served as a trustee for Horry Electric Cooperative since 2010. He has represented Horry Electric on the CEEUS and Line Equipment boards of directors. He has served on the SC Trustee Association Executive/Steering Committee and is a past president of the SC Trustee Association. Floyd currently serves on the board of The Electric Cooperatives of South Carolina. He has successfully completed numerous training courses through the National Rural Electric Cooperative Association. He has earned status of Credentialed Cooperative Director and NRECA Certified Gold Director, in addition to his NRECA Board Leadership Certificate.



District #7

Ashley Anderson

Incumbent

7853 Reaves Ferry Road
Conway, SC 29526

ASHLEY ANDERSON lives in the Nixonville community and is a member of Nixonville

Chapel, where he serves as a trustee. He has two sons, four grandchildren and three great-grandchildren.

Anderson sold fertilizer, farm chemicals and was a crop insurance agent in the Conway area for many years. He served on the original

Board of Directors for Coastal Farmers Tobacco Warehouse.

Anderson is a lifelong farmer and operates a mining and excavation company. Anderson has served as a trustee for Horry Electric since 1977 and has successfully completed training through the National Rural Electric Cooperative Association to earn the status of Credentialed Cooperative Director. He has also earned Board Leadership and Director's certificates through NRECA. He has achieved status as an NRECA Certified Gold Director.

Anderson is chairman of the Bylaw and Policy Committee of the Board of Trustees of Horry Electric and is a member of the Insurance and Safety, Executive and Finance committees. He also serves as secretary/treasurer of the Board of Trustees.

Balance Sheet

ASSETS

Utility Plant

Electric Plant in Service - At Cost	\$407,650,856
Construction Work in Progress	\$575,128
Gross Utility Plant	\$408,225,984
Less: Accumulated Provision for Depreciation	\$128,601,055
Utility Plant - Net	\$279,624,929

Other Property and Investments

Investment in Associated Organizations	\$14,477,707
Other Investments	\$682,033
Total Other Property Investments	\$15,159,740

Current Assets

Cash and Cash Equivalents	\$77,597,662
Accounts Receivable	\$15,389,688
Accounts Receivable-Other	\$988,119
Materials and Supplies	\$5,996,719
Other	\$1,333,856
Total Current and Accrued Assets	\$101,306,044

Deferred Debits

\$5,810,532

Total Assets

\$401,901,245

EQUITIES AND LIABILITIES

Equities

Membership Fees	\$362,885
Patronage Capital	\$164,994,821
Other Equities	\$35,674,595
Total Equities	\$201,032,301

Long-term Debt

CoBank	\$63,879,877
FFB	\$80,906,314
CFC	\$3,104,063
Total Long-Term Debt	\$147,890,254

Other Noncurrent Liabilities

Accumulated Operating Provision	\$681,933
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Current Liabilities

Current Maturities of Mortgage Notes	\$8,331,490
Accounts Payable	\$15,671,793
Member Deposits	\$5,290,505
Accrued and Withheld Taxes	\$0
Other Current and Accrued Liabilities	\$6,507,361
Total Current Liabilities	\$35,801,149

Regulatory Liabilities

\$15,618,000

Other Deferred Credits

\$877,608

Total Equities and Liabilities

\$401,901,245

What we took in: \$163,523,971

What we paid out: \$155,134,362

Patronage Capital and Operating Margins \$8,389,609

Other Income and Equity \$4,252,044

We had left: \$12,641,653



Comparative Operating Statistics

GROWTH

	2021	2020	2019	2018	2017	2016	2015	2014
Average Kwh per Residential Member per Month	1,149	1,107	1,151	1,213	1,116	1,166	1,193	1,220
Average Residential Bill per Month	\$155.17	\$152.72	\$159.25	\$167.41	\$155.70	\$159.77	\$162.05	\$163.87
Meters on System	87,422	84,507	81,919	79,747	78,127	75,984	73,879	71,697
Miles of Line	5,596	5,468	5,375	5,292	5,220	5,157	5,101	5,043
Average Cost per Kwh sold (Cents)	13.3	13.6	13.7	13.7	13.8	13.5	13.4	13.3

EXPENSES

Wholesale Power	67%	66%	66%	66%	66%	65%	65%	67%
Operating Maintenance and General Expenses	22%	21%	20%	20%	20%	21%	20%	18%
Depreciation	7%	7%	7%	7%	7%	7%	7%	7%
Interest	3%	5%	6%	6%	6%	6%	7%	7%
Taxes	1%	1%	1%	1%	1%	1%	1%	1%
Total	100%	100%	100%	100%	100%	100%	100%	100%