

A Letter From Your Board President



**A MESSAGE FROM
HILCO BOARD
OF DIRECTORS
PRESIDENT
BILL ALLEN**

The HILCO Electric Cooperative Board of Directors is pleased to report 2011 as an outstanding year for your cooperative.

As president, I would like to share with you some of our recent accomplishments made possible through the efforts of a dedicated board, staff and employees of HILCO.

CAPITAL CREDITS

We have retired capital credits in eight of eight years. In 2011, we were able to distribute approximately \$819,000 to members who had service with HILCO during the years of 1977, 1978, 2001, 2006, 2007 and 2010.

We are pleased to report that HILCO has retired all patronage capital allocated through 1978; 100 percent of the year 2000, and portions of the years between 1979-1999 and 2001-2010.

MEMBER BENEFITS & SERVICES

Sixteen high school students were awarded scholarships totaling \$10,500 to the colleges or universities of their choice.

HILCO sent two high school students to Washington, D.C. on a trip of a lifetime with the 2011 Youth Tour. The students met our representatives and had a first hand look at our government in action.

HILCO's website, www.hilco.coop, offers several features our members find helpful. Find payment options such as online payments and automatic bank or credit card drafts; payment locations; member account information; home energy audit information; and much more account information. There's also Kids Zone; news and current informa-

tion, including copies of local HILCO monthly news in Texas Co-op Power magazine.

Don't miss our 75th anniversary this year! Plans are already underway for this great celebration that will be on April 21 at the Hill County Fair Grounds in Hillsboro.

It will be a day of fun for the whole family with door prizes, food, and live entertainment. It's our way of saying, "Thank you ... we appreciate our members!"

CO-OP CONNECTIONS CARD

Through the month of October 2011, HILCO members had saved a total of \$149,421 on prescriptions alone last year by using their Co-op Connections Cards.

The Card is free, and it's a valuable benefit. We encourage

you to take advantage of the program. The Card is not just for prescriptions—use it at hundreds of local and national merchants. Numerous local merchants in our service area are participating in the program.

Go to our website, www.hilco.coop, and click on the Co-op Connections Card for a listing of local and national pharmacies and merchants. Watch for a list of our local participants in the February 2012 issue of Texas Co-op Power magazine. 8420001



BILLING & PREPAID OPTIONS

Our electronic billing system is a secure way for our members to view their accounts on the Internet. In addition to checking their billing and payment history, members can review their monthly usage and their average daily usage. Members now have a convenient and secure way to pay their bills online with the addition of an integrated voice response system. We also offer online automatic draft enrollment for bank or credit card payments.

We have added a new payment plan called Prepaid Metering. We are pleased to offer this new pay-as-you-go option.

Members will have no deposit to pay on their account and can make payments on their accounts when it's convenient—when you get a paycheck or Social Security check. There are no set payment dates—you decide when to pay as long as a required minimum balance is maintained on the account. And with an in-home device that shows how much energy has been used, it's easy to monitor your electric usage. Talk to one of our customer service reps to see if this plan is for you.

ENERGY EFFICIENCY & REBATE PROGRAM

Our rebate programs were a big success in 2011. In partnership with our generation and transmission provider, Brazos Electric Cooperative, HILCO members received over \$85,000 in rebates. We had an outstanding response to our rebates for HVAC tune-ups, room air conditioners, Energy Star new home construction, ceiling insulation, and high efficiency heat pumps. Our supply of sets of six free compact fluorescent lightbulbs (CFLs) was totally depleted in September. We appreciate our members' willingness to try these energy saving methods to conserve power.

OPERATION ROUND UP

Since its inception in 2001, HILCO members have contributed a total of \$491,906 to the program through October, 2011!

Our Operation Round Up program continues to provide much needed assistance to organizations in our area. Online enrollment will soon be available for members who want to sign up for the voluntary residential program. Each month, participating members' residential electric bills are rounded up to the next dollar. Those pennies, nickels and dimes help fund organizations who have applied to Operation Round Up for assistance.

ELECTRONIC RECYCLING PROGRAM

HILCO has collected over 200 pallets of old TVs and other 'junk' electronics at no direct cost to our members. We appreciate your participation in helping keep our environment safe and clean.

RELIABILITY & AFFORDABLE RATES

Our new “smart” meters reduce the costs of reading meters and restoring power after a storm or other outages.

Our “Beat the Peak” campaign was successful and the Beat the Peak magnet helped remind everyone to conserve energy during the peak hours between 4-8 p.m.

COMMUNITY INVOLVEMENT

HILCO is a vital part of the communities in our service area and giving back to the community is one of our Seven Cooperative Principles. You will see us on baseball and soccer fields on Saturday mornings or in church on Sunday ... very much a part of the communities we serve, just like our members. Our employees serve on several boards, Chambers of Commerce and service clubs in our area. They participate in fundraisers, county fairs, festivals, and other community projects.

HILCO offers safety programs to schools, organizations and clubs.

INTERNET SERVICE

In 1937, the year HILCO (then called Hill County Electric Cooperative) was first established, no one in the rural areas of America had electricity. The cities were electrified, but no major electric utility company would run lines to the farms and ranches in rural areas. HILCO and other co-ops were founded to finally provide service that was so badly needed. Today, the same problem exists regarding useable “broadband” Internet service. The rural areas have only slower, limited, and expensive Internet access. That is why HILCO has begun a test program to finally provide this modern necessity to our members. We will keep you informed of our progress.

THE YEAR AHEAD

2012 will bring some challenges and opportunities for electricity generation across Texas. The Environmental Protection Agency (EPA) has included us in the Cross State Air Pollution Rule, effective January 1, 2012. Emissions of some combustion by-products must essentially be cut in half across the state. This will require upgrades costing hundreds of millions of dollars, the shutting down of some plants, and running some others at less than their full rating. The effect of these changes will be less total power production resulting in higher cost.

The Directors of HILCO, along with our state and national associations, are working to educate our elected officials as to these effects and hoping to get either a delay or reversal of these costly rules. Providing safe, reliable, and affordable energy to our members is our primary goal.

We will be continuing our energy efficiency programs including the CFL distribution, the HVAC tune ups and energy audits. Educational material for our Beat-the-Peak program (reducing power usage during the hours of 4 p.m. to 8 p.m. from June through September) will be provided. Lower total power demand during this period helps set a lower base cost for the following year.

Our research into providing high speed internet service in parts of our five county service territory where such service is not available continues. Management will also be working on potential renewable energy options such as solar and bio-mass power generation. As always, the cost of these programs will drive our actions and decisions.

The coming year will bring the celebration of our 75th year of operation, and we hope our members will take this opportunity to come by and enjoy the fun and become more aware of our history.

On behalf of the entire HILCO Board of Directors, I would like to thank the members for all you do to conserve energy and for your continued support. We will continue our efforts to bring you reliable and affordable electric service.

**Bill Allen, President
HILCO Board of Directors**

SPECIAL NOTICE TO ALL HILCO MEMBERS!

**Mark your calendars and save the date: April 21.
Don't miss our special 75th Anniversary Celebration!**

Our North and South Member Picnics will be combined into

ONE BIG CELEBRATION!

**Saturday, April 21, 10 a.m. to 4 p.m.
Hill County Fair Grounds in Hillsboro**

HILCO Electric Cooperative Board of Directors



**George Thiess
Vice President**



**Margaret Hill
Secretary-Treasurer**



**Leroy Huff
Director**



**Ron Roberts
Director**



**Jan Smith
Director**



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