



HARLAN MUNICIPAL UTILITIES

Mr. Tom's Neighborhood— *"Baby, it's cold outside"*

Additional Energy Rebate Programs Added

HMU has expanded our energy efficiency rebate program to include more Energy Star rated appliances, weatherization and lighting. Watch for details in the Harlan newspaper, at harlannet.com and in this newsletter.

See us on the web:

- www.har-tel.com—for information on HMU telephone, cable TV and Internet.
- www.HMU-harlan.com—for questions on electric, gas, water, billing, administrative and HMU Board information.
- www.harlannet.com— local weather, local and regional links, emergency messages, Harlan Theater listings.

This month's theme song comes from the song catalog of composer Frank Loesser. I think Franks summed up the recent weather pretty well. Snow and brutally cold weather has paralyzed parts of the Midwest.

Harlan has, so far, been fortunate to avoid major storm related outages seen in other parts of Shelby county and the state. We did see blinks at times but these were caused by disturbances to transmission lines outside of Harlan.

I attribute our good fortune to several factors. We have a very aggressive tree trimming program. If limbs should get weighed down by snow and ice and break off, they should fall clear of lines. Also, we can

see the benefits of having lines underground and away from falling limbs or ice build up. I must admit a little good luck was in the mix too.

We are planning on the next phase of the overhead to underground conversion and work should begin in 2010. Not only will the upgrade help with decreasing the likelihood of storm outages, it will be more energy efficient.

I'd like to acknowledge the HMU employees for their efforts during the recent cold weather. I am privileged to work with people willing to jump in and do what's necessary for the benefit of the utility and our customers. There are a lot of 'what if' discussions and contingency planning before major storms. I

know we had employees working in the cold and snow over the holidays to help keep our facilities and parking lots open, trucks serviced and ready to go, testing the diesel generators, sweeping snow from satellite dishes, digging out fire hydrants, trudging through deep drifts to read meters and checking to ensure all services stayed active and available.

I'd also like to give kudos to our City of Harlan employee brethren. I am always impressed with the job they do to keep our streets clear and passable.

Forecasters are predicting above average snow this year. Let's hope Frank was wrong when he penned the song "Spring Will Be a Little Late This Year."

HARLAN MUNICIPAL UTILITIES

405 CHATBURN AVENUE
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HARLAN'S PREMIER
PROVIDER OF ELECTRIC,
GAS, WATER AND
TELECOMMUNICATIONS.



Cold weather and utility services

The recent snow and brutally cold weather affect your utility service.

- Please do not intentionally blow or shovel snow on to or near any electrical, gas, water or telecom boxes or facilities. Doing so could cause damage leading to an outage or result in slower than needed response times in times of outages.

- One reason to keep facilities like transformers or telecom boxes uncovered is to prevent them from being hit by snowplows or front

loaders removing snow. **WHEN OPERATING PLOWS OR POWERED SNOW REMOVAL EQUIPMENT WATCH FOR BOXES ALONG ALLEYS, CORNERS AND DRIVEWAYS.** Know where the boxes are before you start.

- Our meter readers would greatly appreciate it if you could clear snow from around your meters and make a small path to your meter. Keeping meters clear ensures accurate billing.

- In case of electri-

cal outages, HMU does not supply emergency generators. If you have a critical need for electricity, consider buying a back up generator or prepare a contingency plan.

- Check any furnace intakes or outlets to make sure they are not covered by drifts or plugged by snow. Plugged outlets can lead to the build up of carbon monoxide inside the house.

New channels on HMU cable

- Channel 205 - Retro TV - A sister channel to WOI-TV, Des Moines RTV features classic TV shows.

- Channel 511 - IPTV-World - More quality programming from PBS and Iowa Public Television.

- Channel 145 - MSNBC-HD - News and commentary from NBC in HD.

- Channel 167 - CNBC-HD - Business and commerce news from NBC in HD.

- Channel 168 - Planet Green HD - See what's new and green in HD.

- Channel 169 - Science

Channel HD - The wonders of science in HD.

In order to add the new channels, it was necessary to change the Expanded Basic cable line up.

- Bravo is now on channel 55.

- E! Entertainment is now on channel 56.

- CSPAN-2 can be seen on channel 68.

- GSN moved from channel 56 on Expanded Basic to channel 249 on the HD/Digital tier.

- QVC moved from channel 68 on Expanded Basic to

channel 279 on the HD/Digital tier.

- A sister channel to KPTM-TV, Omaha, THIS network is on channel 210 on the HD/Digital tier.

Customers with Expanded Basic cable but without a set top box should be able to view channels 68 and below. You may need to perform a channel scan on your TV to place the channels in your line up.

Customers that have a Standard set top box, the Gateway Service and the HD/Digital tier of service should be able to see channels 205, 249, 279 and

511.

Customers that have an HD capable set top box, the Gateway service and HD/Digital tier of service should be able to view all of the channels.

Standard and HD top boxes, the Gateway service and the HD/Digital tier are optional purchases at additional charges.

Customers that have an HD TV or a TV with a built in digital tuner and have the cable attached directly to the TV need to perform a channel scan to see Retro TV on channel 5.2 and IPTV-World on Channel 88.15.



HARLAN MUNICIPAL UTILITIES

Talkin' with Tom— *In the Shadow of Punxsutawney Phil*

Celebration Scheduled

We've scheduled this year's annual Municipal Celebration for Wednesday, June 16th from 5-7 PM at Vet's Auditorium. RSVP cards will be sent in future newsletters.

We look forward to seeing you.

See us on the web:

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Since last month's column, we had a major ice storm cut a path of destruction through parts of Iowa and the Midwest. Trees and power poles were broken. Lines came down. Customers were without power or tele-communications for days.

Once again we in Harlan were fortunate compared to neighboring communities. We had one area outage due to falling limbs and some service drops were damaged, but HMU saw no significant damage to our facilities or long power outages. We did take some parts of Harlan off line for a brief

amount of time in order for our linemen to safely remove limbs from energized power lines.

There are some things you can do to help us prevent storm outages:

Don't plant new trees near power lines or utility services. The tree may be short now but will grow over time and encroach on utility services.

Trim trees near power lines to keep branches out of the lines today and in the future.

Some safety reminders:

If you see lines down in Harlan, call us

anytime at 755-5182 and treat all down lines as power lines. Tele-communication lines also carry a certain amount of electricity and could be hazardous.

If electricity is critical for medical or business reasons, formulate contingency plans. Make arrangements to go someplace that has electricity or purchase back up generators. HMU does not supply portable generators.

Be prepared! Visit one of the many websites offering tips on how to get through a power outage.

Auto Pay

Auto pay makes sure utility bills are paid *in full and on time*.

- **No need to write a check.** You authorize your financial institution to automatically deduct the amount of your bill from your checking or savings accounts.

- **Eliminates late payment penalties.** Late payment penalties are a thing of the past because Auto-Pay remembers for you.
- **Monthly statement approval.** You'll still receive a monthly statement for review

and approval. This allows you adequate time to inspect all charges and report any concerns before the charges are paid by the institution.

- **Auto-Pay is a free service from HMU.**

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Gas Safety

Gas connectors are corrugated metal tubes used to connect gas appliances in your home to gas sources.

Certain older gas connectors made of uncoated brass (example pictured) are susceptible to cracking, breaking and deterioration due to moving, bending, corrosion or the way they were made. The connectors have a flaw in how the tubing was joined to the end pieces. Over time, the end pieces can separate and cause a gas leak, which could lead to property damage or injury if not replaced immediately.

To our knowledge, these brass connectors



have not been manufactured for over 20 years, but many are still in use. Not all uncoated brass connectors have this flaw, but all should be inspected by a professional and replaced with stainless steel connectors. Gas appliances in your home that should be checked include: Range, oven or

cook top, clothes dryer, hot water heater or auxiliary area heaters. **Do NOT attempt to move the appliance yourself to check the connector.** Contact a licensed plumber or qualified professional appliance repair service to inspect your connectors and replace them if necessary.

HMU Employees recognized

Six Harlan Municipal Utilities employees received recognition for their years of service to HMU and its customers at the HMU Employee Recognition Banquet held Saturday, January 16th.

Receiving awards and their years of service:

- Journeyman Lineman (Electric Department) Luke Clark—30 years
- Journeyman Lineman (Electric Department) Dean Gessert—20 years
- Director of Customer Relations (Administration) John Doonan—15 years
- Customer Service Technician (Telecommunications Department) Stephen Gessert—10 years
- Director of Marketing and Stakeholder Relations (Marketing) Doug Hammer—10 years.
- Customer Service Technician (Telecommunications Department) David Swank—Five years.





HARLAN MUNICIPAL UTILITIES

Energy Efficiency—Your level of service

Celebration Scheduled

Annual Municipal Celebration:
Wednesday, June 16th from 5-7 at Vet's Auditorium. RSVP cards will be sent in future newsletters.

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One way to get the best value for your energy dollar is to ensure you have the proper electric service. Your current level of service and associated monthly fee is listed on your bill. Time and applications may change your classification, especially for businesses.

This month, we'll review different levels of electric service. Next month, we'll cover Natural Gas.

Single Phase-small. Virtually all residences and most small businesses fall under this classification. This is a typical service for customers that require less than 200 amps (one measure of the quantity of electricity) available at one time.

Single Phase-large. Designed as the next step up for the few residences or businesses that require over 200 amps of service but do not require three phase service.

These medium to large sized business or facilities may have a number of motors, compressors, pumps, large heating or cooling loads or a large lighting load which requires above average service.

Three-Phase.

Three phase service is designed for commercial or industrial users requiring a large amount of electricity or have motors or compressors that are built to run on three phase service. Some large heating and cooling applications may use three phase service. Businesses with high demand motors, like in a freight elevator or conveyor belts may need three phase service.

Time of use (TOU)—Businesses willing to shift their peak electric use to another time of day may be eligible for a TOU rate. While this may offer savings, shifting to TOU generally means a

major shift in operations.

Demand—This is for commercial or industrial applications that may not have a consistently large load but require a large amount of electricity be available at one time.

Residential electric heat—

Designed for residential customers that use only electricity to heat their home but may use an alternate fuel for heating water, cooking, etc.

It's impossible for HMU to know what happens 'behind the meter' therefore being a conscientious consumer means taking a look at your specific application, talking with a qualified electrician if necessary, and letting us know if you feel a change of billing classification may be in order.

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Underground Gas Pipe Maintenance Notice

If you have a natural gas line that runs underground, for example to a heater in a garage, this line is after the gas meter. Here is a safety recommendation:

We operate our gas system with an emphasis on safety. We're required to design, operate and maintain our underground natural gas pipeline system according to prescribed federal standards.

HMU does not maintain any gas pip-

ing that occurs AFTER the meter. This is the responsibility of the customer who owns the pipe. If a buried pipe is not properly maintained it may be subject to corrosion or leakage.

To ensure continued safe and reliable operation, these lines should be checked periodically. You, or the building owner if you live in rental property, are advised to contact a licensed plumber or heating contractor to assist you in locating

and inspecting your buried gas lines. If any unsafe condition is discovered, repairs should be made immediately.

If we can answer any questions related to natural gas, please call us at 755-5182. As always, call Iowa One Call at 811 or 1-800-292-8989 before digging!



Budget Billing—*Now is the time to enroll.*

Budget Billing helps avoid wide swings in seasonal utility payments and makes it easier to budget month to month.

HMU's Budget Billing program runs from April through March of each year. If you are interested in leveling out your utility payments over 12 months to avoid seasonal heating and cooling billing peaks,

April is the best time to enroll. Billing history of at least one year at your current residence and a non-delinquent account is required to enroll.

New Budget Billing payments will be calculated in April for bills due in May. Current Budget Billing customers should review your account balance and determine if your budget payments are going

to cover your actual usage for the last year.

The "Account Balance" shown on your statement is the amount you owe before payment of this bill. If it is a negative amount (CR), you have a credit balance and have paid in more than you have actually used. If it is a positive amount, this is the amount you still owe.

Now is a good time to use up any excess credit or to settle up your remaining balance by making an additional payment. Any positive or negative balance remaining when we recalculate budget Billing will be rolled over into your new payment.

Budget Billing is a free optional service from HMU.



HARLAN MUNICIPAL UTILITIES

Natural gas—Your level of service

Call before you dig

Spring yard work means digging. Always call to have your underground utilities located before you dig.



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Part two of our series on level of service focuses on natural gas. One way to get the best value for your energy dollar is to ensure you have the proper size service. Your current level of service and associated monthly fee is listed on your bill. Natural gas is measured a little different than electricity in that gas is not as dependent on the amount used meaning there are fewer billing categories for gas.

Residential.

All residences fall under this classification. This is a typical service for homes.

Commercial, small. Designed for businesses and industrial applications requiring less than 1,000 cubic feet of

gas per month. These medium to large size businesses or facilities may have a number of furnaces or boilers for heat, or use gas for large scale cooking or heat treating operations.

Commercial, large. This service is designed for commercial or industrial users requiring at least 6,000 cubic feet of gas per year with at least one month per year of 1,000 cubic feet. Facilities at this level tend to be large buildings or businesses that use gas for industrial heat treatment, large scale cooking or have a large heating load.

Interruptible. Interruptible customers reach a contractual agreement with HMU that allows us to ask them to

stop using gas on critical supply days and switch to an alternative heating source such as fuel oil or electricity. Their service can be 'interrupted' without jeopardizing business operations or without losing a source of heat. This now available gas can be used by others, such as residences, that do not have a secondary heat source.

It's impossible for HMU to know what happens 'behind the meter'. Therefore, being a conscientious consumer means taking a look at your specific application, consulting with HMU personnel and requesting any changes to your level of service.

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Natural Gas telephone survey coming

As part of our ongoing commitment to safety, we periodically survey customers on various topics of natural gas awareness.

Starting May 3rd, Central Surveys of Shenandoah will perform telephone interviews with HMU customers regarding natural gas safety awareness. Even if you do not receive

natural gas from HMU, you may still get a call as you are in the area of a natural gas pipeline.

If called, we do ask that you participate in the survey and honestly answer the questions. We will review the survey results and make any changes to how we communicate with you.

Our Gas Awareness Plan is a

comprehensive plan designed to communicate natural gas safety information to all persons that may come in contact with gas pipelines. We regularly communicate with contractors, public safety personnel and the general public on how to identify gas emergencies and how to respond.

Project Share

Project Share assists needy households in paying energy bills and making improvements to their home to reduce future energy bills.

You may add a regular contribution to Project Share through your monthly utility payment or by making a one time

direct donation. Your contribution is voluntary, flexible, and tax deductible. People qualifying for help are carefully identified by an area social service agency and the entire program overseen by a local committee. Contact HMU for more details.

Dear Harlan Municipal Utilities,
I'd like to help a neighbor in need with a contribution to Project Share.

Name _____

Address _____

Phone _____

I will contribute \$_____ per month. I understand this amount will be added to my monthly utility bill.

I have enclosed a one time donation to Project Share in the amount of \$_____



HARLAN MUNICIPAL UTILITIES

Talkin' with Tom— 2009 Water report

Municipal Celebration RSVP

We're gearing up for our annual Municipal Celebration on June 16th and you're invited to attend. If you are planning on joining us this year, please fill out the enclosed RSVP post card and drop it in the mail. We're looking forward to seeing you!

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Providing clean, safe water is one of our highest priorities. We recently completed our annual Consumer Confidence Water report for calendar year 2009. This required report is designed to be a plain language explanation of water quality and relevant health concerns.

The complete report was published in the May 7th and 11th Harlan newspapers. Copies are also posted around town at large employers, schools and select apartment complexes. Copies of the report are available

at the HMU office at 405 Chatburn. You can read the report on-line at HMU-Harlan.com.

In order to maintain a safe water supply in a fiscally prudent manner for years to come, we are building a new efficient water plant out of the flood zone. The new plant will be located south of Chatburn Ave. on the east side of Southwest Ave. Site surveys determining environmental and historical impact are done and we're still in the engineering design phase. We anticipate construction will be-

gin this year.

As a veteran, Memorial Day holds a special place in my heart. I encourage you to participate in Memorial Day activities. Whether you attend a formal service like the one at the Harlan cemetery, take the time to hang a flag on your home or simply pause for a moment for thoughtful reflection on the significance of the holiday, make an effort to honor and remember our country's service people who have given their lives while serving.

In honor of Memorial Day,
The HMU office will be closed
Monday, May 31st.
Emergency calls taken at 755-5182



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May is National Electric Safety Month

This month is a good time to look around your home and eliminate potentially deadly electric hazards.

Start with your wiring. Homes over 40 years old may not be wired to handle a modern electric load. A complete electrical inspection may be in order to ensure your wiring and fuse box can handle today's electric demand.

Check outlets. Older homes may still have two prong out-

lets. Adapters or 'cheater' plugs that convert three prong cords to two prong outlets are a temporary fix. Replace outlets with modern three prong receptacles and keep things safe. Cover unused outlets accessible to children.

Check power cords. Make sure all power cords are in good condition not frayed, cracked, cut or chewed by pets. Never remove the ground pin (the third prong). Change the

outlet to accommodate the plug.

Extension cords. Another temporary fix. If power is needed in an area that doesn't have an outlet, install a new receptacle instead of permanently using an extension cord.

Outdoor Safety. When painting, cleaning gutters or doing work requiring a ladder, always look up for overhead power lines.

Summer Energy Saving Tips

Hot weather is on the way. Here are some energy and money saving tips that will help keep you cool this summer while lowering your energy bill.

- Now is the time to have a qualified service person check your central air sys-

tem, including filters and ducts, to ensure efficient operation.

- During the cooling season, check and clean filters regularly. Systems with clean filters use less electricity.
- Set air condi-

tioners at 78 degrees unless you have an elderly or young family member that needs it cooler for health reasons.

- Draw shades and blinds to shade the sun.
- Use ceiling or box fans to circulate air.

- Turn off lights and appliances not in use.
- Install a high efficiency A/C unit. HMU offers rebates for energy saving systems. See us for details.

For more energy saving tips, visit harlannet.com

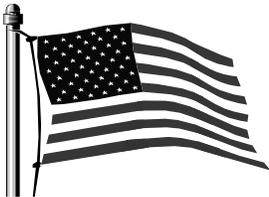


HARLAN MUNICIPAL UTILITIES

Mr. Tom's Neighborhood— *"Time sure flies..."*

Independence Day

In honor of Independence Day, the HMU office will be closed Monday, July 5th. Emergency calls taken at 755-5182



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It is true; time does fly when you're having fun. In fact, it moves equally as quick whether you are enjoying what you are doing; or not. It's hard for me to believe, but forty years ago, June 1, 1970, I began my career in the utility industry as an employee of Illinois Power Company. I spent thirty years in their employ moving from job to job and uprooting my family each time to relocate to another community in Illinois to face new challenges and opportunities.

Time has passed equally as fast here in Harlan. May 14th marked my 9th year as the CEO of Harlan Municipal Utilities. It's been my good fortune to have the opportunity to work for our Board of Trustees, and an honor to be the leader of our excellent workforce. My time here was scheduled to terminate September 1st. However, there is much

work in progress, and I felt it important to retain some continuity rather than packing up and sitting on the sidelines. That is why I asked the Board to consider extending my contract one final year, and they graciously agreed.

When I was contemplating subject matter for this month's letter I looked back at past efforts. Interestingly, my June 2007 column was titled "Singin' in the Rain". I wrote of how on May 6, 2006 I was awakened by a call from the Harlan Police notifying me the West Nishnabotna River "was at 19 feet and rising rapidly" with another five inches of rain expected upstream. HMU and City of Harlan employees, along with a few volunteers from the community, moved all pertinent equipment out of the HMU compound including equipment belonging to the contractor working on

that year's electric overhead to underground conversion project. We also sand-bagged entrances to the HMU property. All told, seven exhausting hours were spent in preparation for a possible flooding of our facilities that would rival, if not exceed, the 1993 flood.

In that same newsletter I wrote of the \$500,000 worth of diesel generators now on site, but absent in 1993. I wrote of how in four years we needed to consider upgrading our water treatment plant and questioned should we move it to higher ground. I mentioned the Board asked me to provide options on whether or not we should construct a new operations center particularly in light of the fact that we were preparing to install a new digital/HDTV headend worth hundreds of thousands of dollars.

(continued on back)

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Mr. Tom's Neighborhood— *continued*

It's now 2010 and we are in the midst of the next to last phase of converting the electric distribution system from overhead to underground. As I compose this newsletter, crews from Great Lakes Line Builders are boring in conduit and wire for electric and telecommunications lines along Cyclone Avenue. Part of this conversion includes upgrading our telecommunications services to fiber optics. This includes purchasing and installing expensive headend equipment, and moving all of our existing telecom equipment,

to a more secure environment out of the flood zone.

We received good news regarding our new water treatment plant. The Iowa Department of Natural Resources notified us their Environmental Review had issued a Finding of No Significant Impact, an overview of our site and proposed construction on numerous environmental factors. This means we are one step closer to final approval of our State Revolving Fund Loan to start construction of our new water treatment plant; again, thankfully out of

the flood zone.

The past nine years have been interesting and challenging, and this year promises to be no different. There are a lot of difficult decisions to make, but the intent is to keep HMU an industry leader. By improving our utility infrastructure, increasing our product offerings, and protecting our capital assets we will continue to make our community more attractive to commerce and industry, while improving the quality of life for our residents for many years to come.

Gas Awareness Plan update

Thanks to those that participated in the Gas Awareness Plan telephone survey.

The survey results are important as they help determine what gas safety information to convey and how best to do it. We were pleased to learn that most of you feel we do a good job of communicating pipeline and natural gas safety.

Please watch for, and heed, our safety notices.

Dispute resolution notice

The Iowa Utilities Board (IUB) requires that all utilities in the state publish an annual notice advising customers of their right of appeal on certain complaints and where a qualified utility representative can be reached. The following is a required notice to HMU customers:

Customers of Harlan Municipal Utilities who desire assistance in the resolution of a complaint may ask for the customer service representative at Harlan Municipal Utilities, 405 Chatburn, Harlan, Iowa 51537 or call HMU's at (712) 755-5182 Monday through Friday, 7:30 a.m. to 4:30 p.m.

If your complaint is related to electric or natural gas service disconnection, safety or renewable energy, and Harlan Municipal Utilities does not resolve your complaint, you may request assistance from:

Iowa Utilities Board
350 Maple Street
Des Moines, IA 50319-0069

Phone: 1 (877) 565-4450 (toll-free)

Online: www.state.ia.us/iub/ E-mail: iubcustomer@iub.state.ia.us



HARLAN MUNICIPAL UTILITIES

Mr. Tom's Neighborhood— *Thanks!*

Always Call
before you dig



**Know what's below.
Call before you dig.**

Summer yard work can mean digging. Call before you dig. It's quick, it's safe and it's the law.

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Thank you. That is about all I can say to over 800 customers that joined us on June 16th for our Municipal Celebration. We appreciate your attendance.

Thank you to our incredible employee team that planned and executed another smooth Celebration. Thank you to HMU employees that chip in and do what is necessary to make the Celebration successful. I'm proud of you and what you are

able to accomplish in a short time.

Thank you to the businesses that help us plan the menu and work with us to provide the quantities of food and drink needed on short notice.

Thank you to the businesses and vendors that help us plan and execute other aspects of the Celebration such as the decorating or prize giveaways.

I'd like to offer

my congratulations to our prize winners. Phyllis Hansen was the winner of the patio set and John Koppold was the winner of the HDTV.

The 2010 edition may be over, but we've already set the date for the 2011 Celebration. Please mark June 14, 2011 (Flag Day) on your calendar. We hope to see you next year for patriotic merriment.

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HARLAN'S PREMIER
PROVIDER OF ELECTRIC,
GAS, WATER AND
TELECOMMUNICATIONS.



Power Outages—Helpful Hints

The June power outages remind us that even though the reliability of electric power is very high, outages do occur.

Here are some reminders regarding outages:

- If you experience an outage, please call us at 755-5182. Knowing the location of the outage helps us source the cause.
- Please call only once unless you think power has been restored to your area but you do not yet have service.
- It is difficult to accurately predict how long it will take to restore service because of the many challenges that linemen face. Please know that HMU crews respond and restore service as quickly as possible.
- Cordless phones may not work during a power outage. If your cordless telephone doesn't work, try using a telephone connected directly to a wall jack or a cell phone.
- HMU does not supply or service emergency generators. If you need electricity for business critical applications you may want to consider purchasing a generator.
- Residential customers needing power for medical devices or other critical applications should consider purchasing a generator or forming a contingency plan with family and friends in another part of town or the county.
- **NEVER CONNECT A GENERATOR DIRECTLY TO YOUR HOME OR BUSINESS WITHOUT CONTACTING HMU.** Improper wiring could cause electricity to flow back into the HMU system and injure someone working on the lines.
- Assemble an emergency kit containing flashlights and a battery powered radio. Depending on the area and duration of the outage, HMU will use KNOD 105.3 FM or KSOM 95.7 FM for emergency announcements.

Energy efficiency— Weatherization

Summer may seem like an odd time to prepare for winter heating bills but now is a good time to look into a weatherization rebate from HMU.

Proper sealing

and insulation of your home or business helps keep conditioned air from seeping out meaning you stay warmer in the winter and cooler in the summer through more efficient heating and cooling.

Numerous types of insulation exist and most qualify for a rebate of up to \$750 per house or building. Other guidelines or restrictions may apply. Pick up a brochure at HMU.



HARLAN MUNICIPAL UTILITIES

Talkin' with Tom—"What a long strange trip it's been."

Fall energy saving tips

Now is the time to prepare your home or business for winter weather with these easy tips.

- Have a professional furnace tune up and change filters if needed.
- Purchase and install a programmable thermostat.
- Check windows and doors for air leaks.
- Check insulation levels in attics and walls.
- HMU offers rebates for energy efficient furnaces.

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Returning to my music theme, I resurrect the Grateful Dead. (Has it really been 15 years since Jerry Garcia died?)

There was a time when the utility business was pretty straight forward and simple. A guy like me new to the industry had to learn the concepts of generation, transmission, distribution and metering. I had to learn about rules and regulations but they were fairly simple in concept and easy to apply.

Over the years, three and four letter acronyms took over. Not only do electric utility professionals still have to learn Ohm's law, we have to learn State and Federal law. We have to pay attention to the EPA, FERC, FCC, DOT, DNR, MISO and a host of other agencies with enough letters to make a bowl of alphabet soup proud.

The current electric utility business is becoming less about generation and distribution and more about

administrative and regulatory issues. Regrettably, costs incurred by meeting the host of new regulations and reporting requirements, and the associated legal and administrative costs, are passed on to customers.

A case in point is the new EPA regulation regarding static diesel generators. In 2001, HMU purchased two 1.75 megawatt diesel powered generators to use on the hottest of summer days when additional electricity is needed to meet demand. They were on line 8.5 hours (0.097%) over the last year. They are a small but critical part of our overall energy supply.

In order to meet new EPA emissions regulations affecting diesel generators, HMU faces two options. We can install emission controls at an estimated cost of \$45-70,000 per generator or, we can sell our units at a significant loss and try and contract for replacement power on the open market at a

significant price. Costs for either option have to be passed on to consumers.

Other examples of increasing administrative or regulatory costs include:

- Increased operation and administrative costs due to restructuring of electric transmission.
- Designing and implement a new gas operation plan.
- Meeting water testing requirements.
- Administrative costs to build a new operations center and water treatment plant.

Do all of these additional costs improve or enhance utility service to the customer? I don't know but either way the customer pays them.

I do know that providing utility service was much simpler when it was about lines and pipes instead of rules and regs.

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**Natural Gas
Safety**

Operating a safe gas system is our highest priority. Enclosed with the newsletter is a brochure on natural gas. Please take the time to read it and share it with family members.

- ALWAYS call 811 or Iowa OneCall at 1-800-292-8989 before you dig to make sure there are no gas lines in

the way. Locates are a free service of HMU.

- Insist others performing work for you call before they dig.
- Learn how to recognize a gas leak and what to do should one occur. See the brochure for signs of a gas leak.
- Do not cover or obstruct gas meters. Make

sure you can get to a meter if necessary.

- Keep our number by your phone and call us any time of day if you suspect a gas leak. You can reach us at 755-5182 24 hours a day.



**Know what's below.
Call before you dig.**

Project Share

Project Share assists needy households in paying energy bills and making improvements to their home to reduce future energy bills.

You may add a regular contribution to Project Share through your monthly utility payment or by making a one time

direct donation. Your contribution is voluntary, flexible, and tax deductible. People qualifying for help are carefully identified by an area social service agency and the entire program is overseen by a local committee. Contact HMU for more details.

Dear Harlan Municipal Utilities,
I'd like to help a neighbor in need with a contribution to Project Share.

Name _____

Address _____

Phone _____

I will contribute \$_____ per month. I understand this amount will be added to my monthly utility bill.

I have enclosed a one time donation to Project Share in the amount of \$_____



HARLAN MUNICIPAL UTILITIES

Talkin' with Tom—"Snakes on a Plane."

Fall energy saving tips

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October brings Halloween and a plethora of horror movies on TV and in the theaters. In the 2006 movie, "Snakes on a Plane," the basic premise is a common fear, snakes, overtaking something from which there is no escape, an airplane in flight.

Sometimes it feels like HMU has its own snakes on a plane. Our common fear is raising consumer rates (snakes) and our vehicles from which there is no escape are regulatory issues such as MISO, mandated natural gas operational procedures, increased water treatment requirements, and escalating cable TV programming costs.

The increased costs from MISO were made very clear from this year's audit. While the sale of energy we own through the Louisa generation plant was up over \$330,000 compared to FY2009, our cost to administer those sales and transport energy to Harlan was up \$950,000 compared to last year and

exceeded the budgeted amount over \$783,000.

Previously, the difference between the sale of power from Louisa on the open market and the cost to administer and transport power allowed us to fund rebuild and other capitol projects without burdensome long term bonding or raising rates.

Now, in order to continue with our 15 year strategic plan to upgrade the electrical system, place lines underground and constructing a new operational center, we had to raise rates (snakes) due to outside forces we can't escape (plane).

I'm generally an optimistic person, but I fear the continuing increase in mandated regulatory issues such as Smart Grid, a potential Cap and Trade regulation and re-transmission consent rules for broadcast TV stations (plane) will only spawn more rate increases (snakes) passed on to you the customer.

As CEO, one of my primary responsibilities is to ensure HMU is financially stable and growing. We recently completed our annual audit.

Included in the highlights: operating revenues increased 6.17% or \$785,934 while expenses increased 6.72% or \$615,776. Net assets, mainly due to capitol projects, increased \$1,607,855, or 6.2%, from \$25,899,407 to \$27,507,262.

Other items of note: electric use was down 2.44% over the year, mostly due to a cool summer in 2009 and customer energy efficiency measures while our customer base remained stable at around 2,860.

Natural gas use was up 4.54%, mainly due to a long cold winter. The number of customers remained at about 2,270.

(Talking with Tom continues on back)

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Talkin' with Tom—"Snakes on a Plane." con't

Water use was down 4.5%, mostly due to a wet summer in 2009 and spring of 2010, while the customer base remained at about 2,417.

We completed our first fiscal year under the 2008 agreement we signed with Walnut Communication and the results are positive. The agreements to purchase wholesale Internet and telephone switching services from Walnut lowered our operating expenses and the revenue brought in by the sale of cable TV services to Walnut are

major reasons the Telecom utility increased net assets by over \$200,000.

During the fiscal year, we issued \$8,285,000 in revenue bonds to pay for improvements and extensions of the electric distribution system including the overhead to underground conversion project as well as the construction of a new operations center.

We also issued \$2,260,000 dollars in new bonds to pay off old bonds issued at higher interest rates. We reduced our overall debt by over 3.3 million

dollars in principal payments leaving our total current debt at 14.9 million.

Low interest rates certainly helped us decrease costs on the financing side but the opposite effect was the amount of interest earned on savings declined by 61% or over \$80,000 compared to the previous year.

I feel comfortable that HMU is in a strong financial position today and in the near future. A copy of the audit can be read at our office.

Utility Easements and City Ordinance

As we upgrade the electrical system and place overhead lines underground, we find many customers plant gardens, trees, bushes, flowers or other foliage or erect structures such as storage sheds, dog kennels or fences within utility easements.

In order to maintain friendly customer relations and protect our ability to

construct safe and cost effective utility systems, we remind customers that City of Harlan ordinance 112.11 BUILDING, PLANTING OR USING PROPERTY LOCATED IN A UTILITY EASEMENT states: " A n y person, corporation or entity of any kind who builds any structure or plants any foliage of any kind in any utility easement does so at said person's own risk. Should the

City or Harlan Municipal Utilities find it necessary to disturb the ground or otherwise clear structures, bushes, trees or plants located in an existing utility easement or in any way use any utility easement to maintain, replace or relocate any utility structure or device, the City, the Harlan Municipal Utilities or the assigns of either entity shall not be responsible for

replacing, repairing, replanting or restoring any structure or plant placed in the easement right-of-way by any property owner."

We encourage property owners to ALWAYS check for utility easements before planting or building anything that may interfere with utility service.



HARLAN MUNICIPAL UTILITIES

Talkin' with Tom— *Winding Down 2010*

Natural gas costs less this year

Natural gas customers may see lower bills this winter and next as our cost of natural gas has dropped. Last winter, gas was \$7.98 per hundred cubic feet (CCF). This year our cost is \$5.29 and next year's cost drops to \$4.82. If you use the same amount of gas this year as you did last, you could see a savings of about 30% this winter.

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The mid-term elections are done. The World Series is over, college football is in its last full month and the NBA and NHL seasons have started. Christmas lights are going up all over Harlan and we're starting to make plans for Thanksgiving and Christmas holidays. All of this means 2010 is winding down and it's time to assess progress and how we stand going into 2011.

This year's electric rebuild project has gone well. A dry and warm fall has kept us on track and maybe even a little ahead of schedule. Most of the electric service has

been converted from overhead to underground meaning I'll be less concerned about snow and ice storms this winter. Work will end this month as the ground freezes. Work will commence in the spring and this phase will be completed next year.

The initial site work was completed for the new water plant. We'll receive a final report from the DNR on our proposed treatment technology in December. Construction on the new plant should begin in the spring and hopefully be up and running in later 2011 or early 2012.

We interviewed two new architectural firms so we can proceed with the construction of a new operations center. The new building has taken a lot of time and I'd like to see us further along in this project but it is too important for the long term efficiency and financial health of HMU to rush. We'll take our time and be prudent.

This year ends with many major initiatives underway. I'm looking forward to their completion in 2011 making HMU a more effective and efficient utility.

Have a safe and
Happy Thanksgiving from
all of us at HMU.

HMU offices will be closed
November 25th and 26th.
Emergency calls taken
at 755-5182



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Electric safety and holidays

Here are some safety and energy saving tips for the upcoming holidays:

Use the newer style small lights on Christmas trees. They require less power than the old larger bulb style and they generate less heat lowering the chances of fire.

Use as few, if any, extension cords as possible. Too many cords can lead to overloading circuits and a tripping hazard. If you must use an extension cord outside, use one designed for outdoor usage (weather

resistant) and rated to carry enough current for your application. Consult a qualified electrician if necessary.

Watch the number of lights you're trying to power from one circuit. Using large wattage bulbs or a large number of lights can lead to overloading circuits or generating too much heat leading to a fire hazard.

Visually inspect your old strings of lights before plugging them in. Weather, storage or staples can cause fraying or cracking of the insulation which

exposes bare wires leading to a electrical shock or fire hazard.

Check for broken bulbs. They're common sources of cuts or shocks.

Use hooks instead of staples to hang lights on the house. Staples that are too narrow may pierce the insulation and cause a short circuit.

Use extreme caution while using ladders to hang decorations. Always be aware of overhead power lines.

Winter Weather, Cyclone football and more

HMU cable TV offers ways to keep up on changing winter weather. Watch Ch 47 *The Weather Channel* for national, regional and local weather forecasts. See local weather updates 'on the 8's'. Broadcast channels out of Omaha and Des

Moines offer local forecasts, watches and warnings. We air KNOD-FM on Channel 12. Listen for winter storm watches and warnings affecting Shelby County. We also post school closings on Channel 12 and at harlannet.com.

As this newsletter

goes to press, the HCHS Cyclones are in the state football playoffs. HCTV Channel 23 offers exclusive coverage of 2010 regular season and playoff games. You can also watch replays of past playoffs and state championship games all month.

Over the next month, you can also watch holiday concerts from Harlan Community and Shelby County Catholic schools.

See the program schedule on channel 23 or at harlannet.com for days and times.



HARLAN MUNICIPAL UTILITIES

Bits and Pieces to end 2010

2010 in review

Watch highlights from the last year on HCTV channel 23. You'll see replays of winter sports, concerts, fine arts events, graduations, the Shelby County Fair and fall sports including the HCHS drive to the state football championship.

See our ad in the Harlan newspaper, the on screen or online guides for programs, days and times.

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- You can use the online customer portal to check not only your monthly or annual energy use but to run copies if you need to apply for assistance or for tax purposes.

- If you apply for energy assistance through an agency like West Central, please keep a copy of your monthly statement. Keeping a copy of your bill will make it easier and quicker to apply.

- With snow and cold arriving, please keep the area around your gas meter clear of snow and ice.

- Don't blow snow on top of any meter, transformer or utility box or block access to utility facilities in any way. We may need quick access to restore services.

- Make sure water shut off valves and water lines have access to warm circulating air. Enclosing water pipes in cabinets or walls, especially pipes that are near outside walls, could lead to pipes freezing. Keeping pipes warm is especially important if you will be gone for an extended period of time.

- HMU channel 12 carries information on school closings, early dismissals and delays.

- Watch for two new networks coming to HMU cable. Trinity Broadcast Network (TBN) and a new digital off air channel will be added soon.

- You can purchase gift certificates for HMU services. These are great gifts for giving

trees, secret Santa gifts or gifts for the person that is hard to buy for.

- Natural gas prices are lower this year but remember to use common sense energy saving. Seal windows and doors, increase your attic insulation, change furnace filters regularly, turn down your thermostat when you are gone for an extended time or purchase and use a programmable thermostat. Have a professional check and tune up your furnace for peak energy efficiency.

- Remember HMU offers rebates for purchasing high efficient gas furnaces and boilers as well as energy efficient appliances like washers and refrigerators.

Happy Holidays from all of us at HMU!
The HMU office will be closed
Friday, December 24th and December 31st.
Emergency calls taken at 755-5182

