

Harlan Municipal Utilities

JANUARY 2011

Talking with Tom— *Reports*

January 2011 looks like it will be two things: colder than I want it to be and filled with reports.

At the January 13th Board meeting I expect to receive a significant report. Updated plans on a new operations center from our architect are scheduled to be presented to the Board. I've seen initial renderings and I'm pleased with what they've put on paper. I believe the latest design helps meet the requirements of function, form, efficiency and value to HMU.

Veenstra and Kim are also scheduled to give an update on the progress of the new water plant. Final details will be determined but general plans are being formulated. Again, I believe the new plant offers the capacity, efficiency and technology to service Harlan for many years to come.

Another report due in January is an update on our energy efficiency programs. We set targets and goals for energy efficiency for calendar year 2010 and, thanks to you, it appears we have met and exceeded our goals for decreasing electric and natural gas use. I would say our rebate programs have made an impact on customers becoming more aware of energy savings and taking steps to lower consumption. On a local level, this helps HMU better manage our electric, gas and water growth. On a regional level, energy efficiency measures help delay the construction of new, more expensive, power plants and transmission lines.

The WAPA Integrated Resource Plan is a written plan required by the Federal Government detailing our future efforts toward energy efficiency. As

more entities apply for federal power, WAPA wants to make sure all of its current customers are making efforts to use available power as efficiently as possible.

We strive to keep infrastructure in service as long as possible so we receive periodic reports on our electric, gas, water and telecommunications systems. An example is our recent tower inspection. One brave soul climbs the 400 foot tower checking and inspecting all aspects of the tower from the tightness of the nuts to the paint.

After we receive inspection reports, we prioritize and schedule maintenance and repair work.

Energy efficiency rebates still available

Save money and stay warm this winter. Rebates for high efficiency gas furnaces and boilers as well as programmable thermostats are available. Upgrade your insulation and you may qualify for a rebate. See HMU for complete rebate details.

Kids and Saving Energy

If January snow and cold are giving the kids cabin fever, here's a fun and educational snow day activity designed to help them learn more about energy around the house.

Thermostat—Do you have a programmable thermostat? What are

the settings?

Furnace filter—How do you check and replace the filter?

Windows and doors—Have the kids check to see if there are any leaks that allow cold air in and warm air out.

Where is the water meter?—Is it protected from freezing?

Count the number of light bulbs in the house.—How many are energy saving CFLs?

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E-mail: hmu@harlannet.com



Carbon Monoxide Poisoning Is Preventable

Carbon monoxide is an odorless, colorless gas created by an incomplete burning of oil or gas by-products. Potential sources include automobiles, gas appliances, gas furnaces, chimneys, charcoal grills and portable kerosene heaters.

Some common symptoms of CO poisoning are: nausea, vomiting, headache, dizziness, persistent cough, fatigue, eye and upper respiratory tract irritation, wheezing or increased angina in people with coronary disease.

When there is a suspected CO problem in the home, it is important to promptly leave and then call emergency responders to gain medical attention if necessary. Have a qualified person test CO levels within the home before returning. HMU will perform a CO test.

While CO alarms can be a useful secondary line of defense, the primary line of protection is prevention, which includes regular, professional, inspection of gas and other fuel burning appliances. Never leave a car running in a closed garage, especially a garage attached to or under living quarters. Chimney flues should be cleaned regularly. Never use charcoal or propane grills inside as a heating source or for cooking.

Simple regular maintenance and inspection of appliances and safe habits can lower your chances of carbon monoxide poisoning.

Harlan's Premier Provider—visit us at Harlannet.com

New Channels on HMU Cable TV

HMU digital cable offers even more value and enjoyment. We've added some new networks.

- Channel 213 - Antenna TV - A sister channel to WHO-TV, Des Moines. Classic TV including Father Knows Best, Dennis The Menace, and Hazel to The Partridge Family, Good Times, Sanford and Son, All in the Family, Three's Company, and Married With Children. (Coming late January or early February)
- Channel 266 - Is now Discovery Fit and Health
- Channel 267 - Oprah Winfrey Network (OWN) - A joint venture between Discovery Networks and Oprah Winfrey. More than a televi-

sion network, it's a network of people just like YOU.

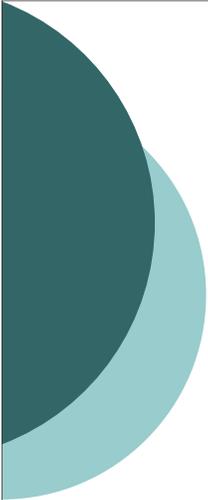
- Channel 281—Trinity Broadcast network (TBN). The United States' largest Christian television network, offering 24 hour commercial-free programming.
- Channel 526 - Big Ten Network alternate feed - Additional coverage of Big Ten football games.

Customers that have a set top box, the Gateway Service and the HD/Digital tier of programming should be able to see all the new channels.

Customers that have 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 WOI-HD in its new position on channel 78.1 and Retro TV on channel 78.2. WHO-HD and Iowa's Weather Plus should appear on channels 78.13 and 78.14. Antenna TV will be joining the line up soon so you may want to do another scan in about a month. The placement of these channels is approximate as your TV may pick them up on a slightly higher or lower channel.

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



Harlan Municipal Utilities

FEBRUARY 2011

Mr. Tom's Neighborhood— *Where do we go from here?*

Decrease in Gas Purchase Ad- justment

Fluctuating natural gas prices are accounted for in the monthly gas purchase adjustment. Please notice you are receiving a credit on your natural gas portion of this bill due to lower base and swing gas prices.

On Wednesday and Thursday February 9th and 10th, I attended the Iowa Association of Municipal Utilities meeting. Twice a year, municipal utilities from around the state gather in Des Moines for updates on operational and legislative issues affecting utility service.

A recurring topic is the future of electricity generation and transmission in Iowa. Some projections indicate that unless new base load power plants are built in Iowa, the current generation capacity will be used by 2016 and we'll need to start importing electricity to meet demand.

The design and permitting process to bring a new plant on line is lengthy. As there is no new plant being built at this time, it appears unlikely any new in state generation will be on line by 2016.

Coal fired plants provide most of the electricity in Iowa. The cost of construction, coal, rail transportation and associated mandated emission controls for coal plants continue to grow meaning the per kilowatt generation cost is much higher for new plants compared to plants already in service. There is uncertainty as to whether or not new cost effective coal plants are viable in today's political and regulatory environment.

So? What other type of generation technology is available? Nuclear plants operate with less emissions than coal plants but the hurdles for bring a nuclear plant on line are high and numerous. The time it takes to bring a nuclear plant on line is even longer than a coal plant. Everyone wants cheap reliable electricity but few want a nuclear plant in their county.

Natural gas fired

plants operate cleanly but what will happen to the price of natural gas for heating if natural gas is diverted from home heating to power generation? Have we just traded one cost at the expense of another?

Renewable energy sources have their place in the mix but what Iowa needs is consistent base generation.

One of the resources provided at the meeting was a video entitled *A Consumer's Guide to Electricity 2011*. It's an easy to understand background on electric service in Iowa and explains why costs for generation, transmission and distribution are rising. You can watch this short video online at Harlanet.com or we'll replay it on HCTV Channel 24 on the HMU cable system. You can see replay times at Harlanet.com and click on the link to the channel 23 and 24 schedule.

Reminders

- Budget Billing accounts are recalculated for the year in April. If you've considered going on Budget Billing to help manage expenses, remember to sign up in **April**.
- Auto pay is a free service and makes sure utility bills are paid *in full and on time*. Your payment is automatically deducted from your checking account each month saving time and worry.
- Thinking about buying an energy efficient appliance? Check energystar.gov to ensure the appliance you are buying qualifies for an HMU rebate.

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Provider—visit us at
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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 for service

Four 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 29th.

Receiving awards

and their years of service:

- Journeyman Lineman (Electric Department) Larry Buttry—30 years
- Director Gas and Water (Management) Steve Dresen—20 years
- General Maintenance and Stores Clerk

(Administration Department) Paul Wingert—10 years

- Receptionist-Bookkeeper (Administration Department) Deb McLaughlin—5 years



HARLAN MUNICIPAL UTILITIES

Energy Efficiency—Your level of service

Operations Center Update

Watch the architect's presentation on the new operations center at Harlannet.com

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.

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 piping 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!



Know what's below.
Call before you dig.

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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- www.harlan.net—local weather, local and regional links, emergency messages, Harlan Theater listings.

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.

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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Bits and Pieces

- Contractors are in town to complete the overhead to underground conversion project. Watch for construction vehicles and drive safely in construction zones.
- April is the time to sign up for Budget Billing. It's a quick and easy way to level out your monthly utility bills.
- April is also a great month to schedule a tune up for your air conditioner to make sure it operates at peak efficiency during the summer.
- Major League Baseball (MLB) teams designate a home TV territory that is

subject to blackout. The Chicago Cubs, Chicago, White Sox, Milwaukee Brewers, Minnesota Twins and St. Louis Cardinals have designated Shelby County, as part of this home TV territory. We've been reminded by TBS (channels 14 and 114) that regardless of where a game is played, each TBS cablecast of a game will be blacked out within the home television territory of each participating team. So even if the game appears in the program guide, the actual game may be blacked out on our

system.

HMU does not control blackouts. They are controlled by MLB, the teams and the network covering the game. If a game on TBS is blacked out, HLN (Headline News) will appear on channel 14. Channel 114 will go blank. Blackouts may occur on any network that carries MLB.

- We'll flush hydrants the week of April 25th. Check water quality before doing laundry or dishes. If your water appears cloudy, let it run until clear. If it does not clear in a reasonable amount of time, call us.

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

Municipal Celebration RSVP

We're gearing up for our annual Municipal Celebration on June 14th and you're invited to attend. The Pancake Man will provide food this year. If you are planning on joining us, please fill out the enclosed RSVP post card and drop it in the mail. We're looking forward to seeing you!

ESPN Update

ESPN has upgraded their HD signal. This means ESPN and ESPN2 standard definition, Channels 28 and 29, will now appear in letter box format with black bars on the top and bottom.

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Talkin' with Tom— 2011 Water report

Providing clean, safe water is one of our highest priorities. We recently completed our annual Consumer Confidence Water report for calendar year 2010. 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 April 19th and 22nd 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 online 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 preparation has been done and we're still in the engineering design phase. We anticipate construction will begin 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 30th.
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— *Going Up*

After several starts and stops the last couple of years, the construction of a new HMU operations center is on track. Bids were opened on Tuesday, June 7th and Lueder Construction of Omaha was low bidder at \$2,572,600.

I was very pleased to see not only the number of bidders but the low level of the bids. HMU's goal was to build the new center for 3 million dollars. When all is said and done, we will be very close to that amount including the site preparation.

At the June 9th board meeting, the Trustees viewed a final presentation from martin Design, our architectural firm, and voted to proceed with the construction.

We anticipate construction will start this summer. Our first significant target date is October 1st for the completion of the head-end portion of the facility. This area of the building is made of reinforced concrete and is for the storm shelter, record vault, fiber to the home and digital head end equipment.

Completion of the Operations Center is scheduled for February of 2012 with the exterior landscaping and work completed by June 1, 2012.

Watch the new building going up over the next year and for updates in future newsletters.

Also slated for construction on the property is the new water treatment plant. We are still waiting for the Iowa DNR to approve the design plans. Once they do, we can begin the bidding and construction process for the plant.

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Independence Day notice

In honor of Independence Day, the HMU office will be closed Monday, July 4th. Emergency calls taken at 755-5182.



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Bits and Pieces

- The electric portion of the overhead to underground conversion project is almost done. Services have been converted from overhead to underground. The next step is to remove the old lines and poles. Some lines may come down this year but the poles will remain until after telecom services are removed next year.
- Contractors are in

town to install fiber drops for HMU telecom customers in the rebuild area. Services will be switched from the coax to fiber system in 2012 after the head end is active in the new Operations Center.

- Rebates are available to HMU customers for purchasing select dehumidifiers and energy efficient central and room air conditioners. See

us for details.

- See summer electric savings tips at harlannet.com
- Always call Iowa One Call at 811 before you dig. It's the law, it's free and it keeps you, your family and your property safe.
- Storms and high winds can cause power outages. If you see lines down in Harlan, call us 24 hours a day at 755-5182.

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 Utili-

ties 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 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— *Thank You for Being a Friend*

Rebates Available

If you install a new air conditioner, remember HMU offers rebates for installing qualifying energy efficient replacement units. New air conditioners need to have a SEER rating of 14.5 or above.

If you install a combination air conditioner/furnace system, rebates are available for furnaces with an efficiency rating of 90% or more.

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Thank you. That is about all I can say to over 600 customers that joined us on June 14th 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.

I hope you

found The Pancake Man a nice change of pace for the Celebration. We'll return to our usual menu in 2012. I'm looking forward to next year!

We had our first meeting with the Operations Center construction project managers on Tuesday, July 12th. Construction is scheduled to begin the week of July 18th. We've been looking at so many paper architectural designs the last couple of years. It will be nice to finally see an actual building

being built.

The head end portion of the building, where the new fiber to the home facilities will be housed, is the first part of the Center to be built. Our target date is October 1st so the new equipment can be installed over the winter.

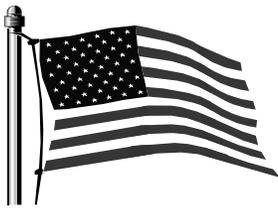
Construction on the rest of the building will continue through the fall and winter with occupancy scheduled for Spring of 2012.



HARLAN MUNICIPAL UTILITIES

Talkin' with Tom— *Twin Peaks*

Closed Labor Day



The HMU office will be closed Monday, September 5th for Labor Day. Emergency calls taken at 755-5182

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You don't need this column to remind you how hot and humid it was during the month of July, but something happened you may not have known about that affected you.

On July 19th at 4:00, HMU set a new historic peak of 15,362KW of demand breaking a record set in 1999.

It took 12 years to break the old record. It took less than two weeks to break that record when HMU hit a new peak of 15,486KW on August 1st.

What does this actually mean, what caused it and what are the implications of rec-

ord peaks? This amount of electricity would power over 15,000 hair dryers, 77,430 coffee pots or light 154,860 one hundred watt light bulbs.

The largest draw on the system was air conditioners due to the high heat and humidity. The implications are the costs associated with acquiring or generating the additional power. Base load power is the cheapest electricity available but utilities don't buy 100% of the required power from base load generation due to total costs over time. We buy and use intermediate and peaking power to ensure we can meet de-

mand on those hottest of days like August 1st. Operational costs are higher for intermediate and peaking power meaning higher prices for electricity on peak days.

You as a consumer can have an impact on costs on peak days. Be aware of how you use energy on hot days. Use the electricity you need but use it wisely. Purchase energy efficient A/C systems. Practice energy efficiency saving measures like keeping shades pulled and fans to circulate air. If possible, turn up the A/C a couple of degrees especially if you are out of the house.

Gas safety and reliability

As part of our Gas Operation and Safety plan, we will be doing our three year gas valve maintenance during September. This maintenance consists of lubricating,

inspecting, and turning approximately 190 gas valves to ensure proper operation.

Key valves are those identified as being critical to the safe operation of the

distribution system.

These are the valves which stop the flow of gas to certain parts of town and the ones we would close in case of emergency.

HARLAN MUNICIPAL UTILITIES

405 CHATBURN AVENUE
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HMU@HARLANNET.COM

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TELECOMMUNICATIONS.



Big Ten Network
alternate feed
now in HD

The Big Ten Network (BTN) alternate feed, channel 526, is now in HD.

You can watch additional Big Ten conference games on 526 along with games broadcast on channels 26 and 126.

Husker fans, channel 526 is where you will find Husker games if Nebraska and Iowa games are scheduled for broadcast at the same time on the BTN.

An HD set top box or DVR is required to view channel 526 as the HD signal will not pass through a standard box.

Spam-Spam-Spam-Spam

The iconic canned meat from Austin, MN may have been immortalized in song by the British comedy troupe Monty Python, but when it comes to e-mail, spam is not nearly as tasty as the original.

Loosely defined as unwanted bulk e-mails sent indiscriminately, spam makes up about 78% of all e-mails sent. We block, on average, about 66,000 spam e-mails per day through our spam filter.

Spam has to be handled and processed just like legitimate e-mails. The sheer volume of unwanted traffic slows down processing and jams your e-mail in box. New more robust equipment must be purchased to handle the increasing volume of e-mail.

Some quick tips on how to decrease or eliminate spam:

1) Using your real, primary email address anywhere on the web puts it at

risk of being picked up by spammers. Automatic programs scour the web searching out addresses like yours to add to spam lists.

2) Watch the check boxes. Often when you fill out on-line forms, there is a check box asking if you would like to receive further information from the web site owner or third parties. A positive response to the question can populate numerous spam lists simply because you asked them to do it.

3) If you must post your e-mail address in the open, insert some sort of filler that a human can determine must be removed for the address to work. For example, use my<delete>name@mail.com as your address. A human could detect that <delete> would have to be re-

moved for the address to be valid. A spam harvesting program would not.

4) Minimize forwarding bulk e-mails or hitting 'Reply All' in chain e-mails. Yes, the pictures of baby Jane that Aunt Ethel sent are cute but every time you forward an e-mail to 10 people on your list, you're not sending one e-mail, you are sending 10. The equivalent would be copying a letter and mailing ten envelopes at the post office. If those 10 people send the same e-mail to 10 of their friends, one e-mail turned into 110. Your e-mail address could now be in the hands of 100 people you may not know. If any one of those e-mail accounts are compromised by a virus, your e-mail address is now vulnerable.



HARLAN MUNICIPAL UTILITIES

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 and insulation.



Construction update: On September 7th, construction crews poured the concrete walls for the new vault and head end portion of the HMU Operations Center.

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- www.HMU-harlan.com—for questions on electric, gas, water, billing, administrative and HMU Board information.
- www.harlanet.com— local weather, local and regional links, emergency messages, Harlan Theater listings.

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
Through my monthly utility bill.

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

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Watch fall
HCHS
football and
select
volleyball
games on
HCTV
channel 23

Phishing expedition

HMU Internet customers recently received the following e-mail. It's an example of 'phishing' or a way of attempting to acquire sensitive information such as usernames, passwords and credit card details by masquerading as a trustworthy entity.

We're sorry that whoever went on this phishing expedition was impersonating the HMU telecom department. There are several red flags in the e-mail that indicate HMU did not send it. Here are some tips on how to avoid being duped. Areas of concern are in bold and numbered

From: Customer Service
[mailto:servicec47@gmail.com¹]
Sent: Friday, September 02,
2011 11:24 AM
Subject: Attention to All HAR-
LANNET Internet Users

Announcements

*Your ticket has been assigned an
ID of [harlannet.com #788818]

*At harlannet.com, it's all about
you. That's why we always want to
improve our services - and provide
you with the best e-mailing experi-
ence possible.*

*We will be conducting our regu-
larly scheduled maintenance, to
ensure that we provide the highest
quality in Internet connectivity and
services to customers. Your con-
nectivity and services with us may*

*be interrupted for short periods
during the maintenance window.
We will also ensure minimal
disruption to services where possi-
ble.*

*Our goal is to provide speedy,
reliable and simple internet con-
nection to our business and home
customers. We hope that this
change will offer you more con-
venience and that you continue to
enjoy your harlannet High
Speed Internet service.*

*In order to enable us perform
quality maintenance on your Inter-
net access and e-mail service,
please you must reply to this e-
mail message confirming your
harlannet webmail account details
with us.*

**Do confirm your account details
below.**

- 1. First Name & Last Name:**
- 2. Full User Email Address:**
- 3. Password:**
- 4. Retype Password:²**

*NOTE: Failure to respond to this e-
mail message may result to tech-
nical problems on your Internet
access and e-mail service.*

*We hope this doesn't cause you
any inconvenience and appreciate
your co-operation.
Thank you,
Harlannet Help Desk*

1- Always be aware of who is
sending the e-mail. Do you
recognize the senders address?
Is it coming from a free e-mail

service that anyone can sign up
for like Hotmail, g-mail or Ya-
hoo? Did the e-mail come from
an overseas provider such as
yahoo.co.uk? (UK indicating it
originated in the United King-
dom) Many spammers use
these accounts to keep ano-
nymity. All e-mails from HMU
will come with a Harlannet.com
e-mail address.

2- While the rest of the e-mail
does sound credible, this is
what the sender is trying to
trick you into giving; personal
private information. NEVER
reply to an e-mail with personal
information like passwords,
bank account numbers or any
private information. HMU will
never ask you for sensitive
information via e-mail.

If you have a ques-
tion on something you receive
with HMU's name on it you can
always call us to verify its legiti-
macy.

What happens if you
reply to a phishing e-mail?
Apparently a customer did reply
with their password. Shortly
after this e-mail appeared, our
mail server became flooded
with spam. The original sender
now had access to a custom-
er's account and was using it to
send hundreds of thousands of
spam e-mails. This delays the
routing of legitimate e-mails.

For more information
on phishing or other scams,
visit ftc .gov

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.



HARLAN MUNICIPAL UTILITIES

Talkin' with Tom— Audit results

Hydrant flushing

HMU water department employees will be flushing hydrants the week of October 24th. Flushing the hydrants helps keep the mains clear and increases the quality of water.

During the week, customers are asked to check their water for cloudiness before doing laundry, dishes or bathing. If your water appears cloudy, let the water run for a short period of time to flush your pipes. This should help clear the water. If the water does not run clear in a reasonable amount of time, contact HMU.

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- www.harlannet.com— local weather, local and regional links, emergency messages, Harlan Theater listings.

As CEO, one of my primary responsibilities is to ensure HMU is financially stable and growing. We recently completed the 2010-2011 audit.

Included in the highlights: operating revenues increased 1.54% or \$207,967 while expenses increased 0.91% or \$88,755. Net assets, mainly due to capitol projects, increased 6.58% or \$1,810,911 from \$27,507,262 to \$29,318,173.

Other items of note: the amount of kilowatt hours (KWH) billed was up 4.2% over the previous year, primarily because of the summer of 2010 was hotter compared to 2009. Our customer base remained stable at around 2,860.

Natural gas billing was down 2.6%, mainly due to a warmer winter and the effects of Energy Efficiency. The number of customers remained at about 2,270.

Water billing was down 3.75%, mostly due to a wet summer

in 2010 and spring of 2011, while the customer base increased slightly.

Regarding changes in Net Assets (or the increase in value of each utility): Electric was up \$1.2 million due to capitol improvements in the distribution system. Gas was up a moderate \$141,000. Water was up \$176,000 and telecom was up \$294,000.

We reduced our overall debt by over \$687,000 leaving our total current debt at \$14.3 million.

Low interest rates certainly helped us decrease costs on the financing side but the opposite effect was the amount of interest earned. Interest income declined by 12% or over \$10,000.

Why is it important that HMU have sound fiscal policies?

- To meet short term daily expenses such as the cost of power, natural gas, water treatment, programming costs or wholesale Internet.

- To meet long term obligations such as interest payment on current debt or to maintain a high bond rating in order to obtain financing at lower interest rates in the future.
- To pay for emergency repairs brought on by storms or equipment that fails without having to borrow money.
- To pay for replacing equipment and facilities that are much more expensive today.
- To meet ever increasing legal, regulatory and administrative costs.
- To offer new and improved services.

I believe the current audit shows we are on the right path to meet these objectives meaning HMU will be a thriving utility today and in the future. A copy of the audit can be read at our office.

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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. Change filters if needed to keep your heat source running at peak efficiency.
- Purchase and install a programmable thermostat. They help match heating to your lifestyle by automatically regulating the temperature.
- Purchase and install energy efficient lighting such as compact fluorescent bulbs or replace old fluorescent lights with new fixtures and bulbs.
- Check windows and doors for air leaks. Even small drafts can affect your bill.
- Check insulation levels in attics and walls. Increasing the

amount of insulation makes your heating dollar go further.

- Set an energy policy at work and home as to who controls the thermostat and when it can be adjusted.
- HMU offers rebates for energy efficient furnaces, lighting, insulation and programmable thermostats.

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: "Any 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."

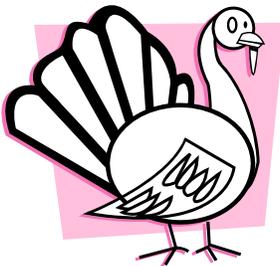
We encourage property owners to ALWAYS check for utility easements before planting or building anything that may interfere with utility service.



HARLAN MUNICIPAL UTILITIES

Talkin' with Tom— Construction update

Thanksgiving Holiday



The HMU office will be closed Thursday November 24th and Friday the 25th for the

Thanksgiving Holiday. Emergency calls taken at 755-5182

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Construction is proceeding on the new operations center.

What you can see in the picture is the vehicle storage building framing. This is where the trucks and support vehicles will be stored.

What you can't see is the progress on the internal work. Crews continue to install plumbing, wiring, the fire protection system, data system connections and other infrastructure.

The headend portion is done and main fiber connections

have been pulled into the building. The next step is to terminate and connect hundreds of individual fibers to customers and the current facility in the head end. This will happen over the winter.

Externally, crews are done installing customer fiber to the home drops in the rebuild area. All new fiber equipment will be installed in the headend over the winter and final connections to the customers will be done in the spring. We'd like to convert all fiber customers in the rebuild

area from the old system to the new by the end of April 2012. Once telecom customers are converted and all other providers have removed their systems from the poles, we can remove the poles.

There has been some movement at the DNR toward approving the design of the new water plant. After a long wait, we expect to finally receive approval on the design so we can start construction on the water plant in the spring.

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Natural Gas price decrease for 2012

One of our primary goals is to find and maintain the lowest possible commodity prices. A new natural gas contract for next winter (2012-2013) helps us meet those goals.

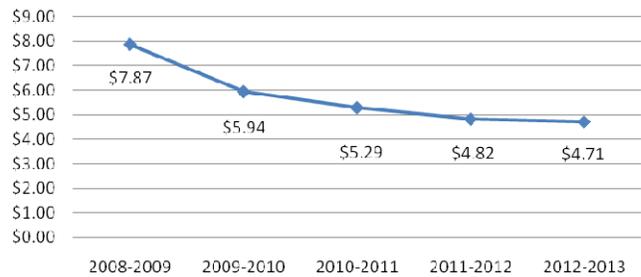
After a price spike during 2008-2009, we've seen a downward trend in the cost of natural gas. We constantly monitor futures pricing and when we believe prices are at a level most beneficial to our customers, we place our order. Natural gas under the new contract is lower than this year. Gas for this winter is lower than last year.

Last winter the cost was \$5.29 per MCF or almost 11% less than the year before. This winter, HMU has a contract at \$4.82 or 9% less than last year. Next winter, the price will drop another \$0.09 MCF to \$4.71 or almost 2% less. The cumulative decrease

over four years means a price drop of around 40%.

Total heating cost also depends on how long and cold winter is as well as individual energy efficiency measures. HMU offers rebates for efficient furnaces and programmable thermostats.

HMU natural gas price per thousand cubic feet - heating season shown



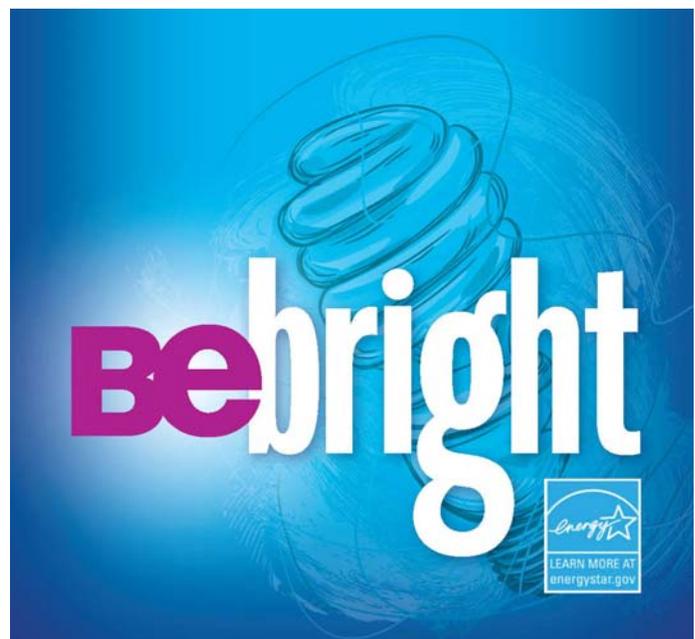
CFL rebates now available

HMU in conjunction with local retailers are offering savings on energy saving compact fluorescent bulbs.

For a limited time, customers can receive a rebate or discounted pricing on select compact fluorescent bulbs when purchased at participating retailers.

Shoppers can find the discounted bulbs at Hy-Vee or Fareway in Harlan. Supplies of discounted bulbs are limited and there is a 12 bulb limit.

According to the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy, if every resident replaced one incandescent light bulb with an ENERGY STAR qualified CFL, the amount of energy saved would light more than 3 million homes for a year and save \$600 million. Plus, each CFL saves residents \$40 over its lifetime and lasts at least 10 times longer than an incandescent bulb.





HARLAN MUNICIPAL UTILITIES

Mr. Tom's Neighborhood— *Reflection*

2011 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 HCHS fall sports including the drives to the state football and volleyball tournaments.

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

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December is a good time to reflect on the passing of one year and measure what occurred.

We accomplished a lot at HMU during 2011.

We finished the next phase of the overhead to underground project in the west part of town. All underground lines were installed and services switched over from the above ground lines. Poles and lines will be removed in the spring after all telecom companies are off the poles.

A significant amount of the associated fiber to the home project was completed. The main fiber lines were installed as well as service drops. Services should be turned up in the spring after we install equipment in

the new operations center and the fiber ties between the current and new building are done.

We were able to complete a new gas contract with prices lower than we've seen the last several years. This helps ensure we can try to keep heating costs as low as possible.

In my December 2009 newsletter, I wrote about how we planned on building the new water plant in calendar year 2010. It's now the end of 2011 and we're still waiting on approval of the design from regulatory agencies. We may be able to begin construction in 2012.

One of the most visible projects of 2011 was the construction of the new Operations Center. Construc-

tion will continue through the winter. We are scheduled to move into the new facility this spring.

Our annual audit showed HMU is on solid financial footing.

Increasing regulatory issues took a lot of time in 2011. We continue to see additional federal and state mandates affecting electric, water and telecom services. For example, emission guidelines affect the cost of electric generation. Water quality standards affect the technology, and cost, of the new water plant. Changes in the Universal Service funding affect telephone revenues.

I would say that 2011 was a productive year and I anticipate more will be accomplished in 2012.

Happy Holidays from all of us at HMU!
The HMU office will be closed Monday, December 26th and January 2nd.
Emergency calls taken at 755-5182



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Winter Weather Bits and Pieces

- 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.

- Please keep the area around your gas meter clear of snow and ice. It makes it easier to read for the meter readers and helps prevent damage to the meter.

- 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.

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

- Holiday programs and bowl games look great in HD. If you get a new HD TV for Christmas, remember to add the HD tier to your cable package.

Would you like a raise?

Would you like a 122% raise in pay? I'm sure you would. Later in this article you'll learn who is asking for one.

The concept of a retransmission consent agreement between broadcast TV stations and cable or satellite providers sounds reasonable. Broadcast TV stations have the right to know which systems carry their station and under what conditions.

As with most agreements, the devil is always in the details. In the early 90's, Congress

granted TV stations the option of selecting 'must carry' or 'retransmission consent' with cable systems.

Retransmission consent agreements grant TV stations the right to ask for compensation, including cash payment, for carriage on a cable system.

Agreements are periodically renewed. We are renewing agreements with several Omaha and Des Moines TV stations. The term 'reasonable' is a matter of perspective. We've had stations ask for in-

creases in what we pay them per subscriber range from 5% to 24%. Depending on where we started with the payment, these increases may be reasonable.

One Omaha TV station has asked for a 122% increase in fees with no supporting justification. We do not think that is reasonable request. Retransmission costs by necessity are passed on to the customer as part of your cable bill. We do not think it is reasonable to ask you to pay 122% more for a station that

isn't 122% better than it was before.

If we do not reach an agreement on a fee, the station can ask us to remove the station from the system. We are vigorously negotiating for a much lower increase and to keep the station on the HMU cable system. We want a rate increase that is in line with other TV stations.

We are hopeful we can negotiate a lower rate to help stem the rising cost of cable TV and maintain the same channels.