

HEARTBEAT

QUARTERLY NEWSLETTER



Issue #70

Winter 2019

Grants awarded to area non-profits

Operation Round Up funds donated by Heartland's consumer-members have been awarded to 30 non-profit organizations that serve those in need across Southeast Kansas

See page 2

What to expect from Topeka & D.C.

New lawmakers and a new legislative session will bring new topics up that will affect electric cooperatives this year. Open lines of communication are critical to serving the interests of our consumer-members.

See page 3

Three seats open on our board

Heartland is accepting nominating petitions from members interested in serving on the cooperative's Board of Directors

See page 5

Space heater?

Learn about the different space heater options available this winter season.

See page 7

Bird's eye view



Heartland lineman Jason Vitt took time out from recent storm repairs to snap this photo from his perspective at the top of a bucket truck of crews at work.

Guided by the community we serve

Author Anthony J. D'Angelo observed that, "Without a sense of caring, there can be no sense of community."

To a large degree, this reflects Heartland REC's philosophy toward our consumer-members and the broader service territory that we serve. As a cooperative, we have a different "bottom line." While our priority is always to provide safe and reliable energy, there is another equally important part of this equation. Your well-being and that of the larger community that we serve are of paramount concern.

The Cooperative was founded to fulfill a vital need of providing power to the rural parts of Southeast Kansas that would not have otherwise been met. At that time, members of the community understood we were different because they likely knew someone who helped create us. For most people, our founding and its circumstances have been long forgotten. Over time, folks in

KEEPING YOU INFORMED



MARK SCHEIBE
HEARTLAND CEO

See INFORMED, page 2

Operation RoundUp grants awarded to 27 organizations

The generosity of Heartland's members is making it possible for the cooperative to provide financial assistance to a wide variety of non-profit organizations in Southeast Kansas this Christmas season.

Heartland's Operation Round Up's volunteer trustees evaluated applicants, and selected 30 grant recipients based on the work they do serving people in need in Southeast Kansas.

In 2018, nearly \$50,000 was raised by Heartland's Operation RoundUp program, which is entirely funded by donations from Heartland members and employees.

Operation Round Up supports programs and organizations that promote the health and well-being of Southeast Kansas residents.

Heartland members donate to the



program by "rounding up" electric bills to the next dollar, with each member giving about \$6 each year.

Grants awarded in 2018 include:

- Celebrate Recovery in Parsons for meals and materials;
- Concern Inc. in Mound City for the food pantry and other financial assistance to those in need;
- The Erie United Methodist Church's Christmas Baskets and Share the Love food pantry.
- Erie Federated Church's food pantry;
- First Baptist Church in Pleasanton, to help people with bills, food, clothing and gas;
- The food pantry at First Baptist Church in Riverton;
- The food pantry at First United Methodist in Columbus;

■ Lunch programs through the Friends of the LaCygne Library;

■ Lunch programs at the Girard Public Library;

■ God's Pantry at First Christian Church of Chanute;

■ Grady's Kids in LaCygne to support families with ill children;

■ The domestic violence shelter, Hope Unlimited, in Iola;

■ The community garden to help those in need at Immanuel Lutheran Church in Hepler;

■ Summer camp scholarships at Greenbush;

■ Educational science materials and equipment at Life Christian School in Columbus;

■ The Manna Depot food pantry in Columbus;

■ The free community meal through Meal In His Name in Girard;

■ Mound City Christian Church's program to help needy women and

children;

■ Mound City United Methodist Church's fund to pay medication, gas and rent for those in need;

■ The Orange Swan Free Store at Erie and the Galesburg Christian Church, which provides blankets, heaters, fans, food and clothing;

■ The Reach Out food pantry in Prescott;

■ Sacred Heart Catholic Parish in Mound City to pay for medication and food;

■ The backpack food for kids program at St. Timothy's Episcopal Church in Iola;

■ SEK Interlocal 637 to help with transportation needs;

■ Wildcat Extension District #14 in Girard to help purchase equipment;

■ First Christian Church in Pleasanton to help with local missions;

■ Wings of Warriors in Iola, which provides assistance to cancer patients.

INFORMED: From page 1

the community may have come to think of us as simply another energy provider. But we are not. We are a co-op that is constantly evolving to meet the needs of the communities we serve, and we are able to do this because of members like you.

Different parts of Kansas receive their energy in seemingly similar ways, but there are critical differences between co-ops and other electricity providers, such as investor-owned utilities (IOUs) or municipally-owned systems. With IOUs, you are a customer and there is no required ownership. IOU stockholders live far away and have no direct attachment to the organization other than seeking a return on their investment. Communities

serviced by municipally-owned systems may vote for the mayor or city council, but the connection to the electric system is very indirect.

These differences make the electric cooperative message being shared with the Kansas legislature, whose policy changes could impact the way we do business, even more important. The message is that every energy bill you pay as a member of the co-op helps ensure better service and reliability for the whole community, not make a hefty profit for investors many states away. After meeting Heartland's

annual expenses, we invest the extra money back into the co-op and the community by giving money back to the members every year in the form of capital credits.

We depend on the guidance and perspective of our members and board to help set priorities for the co-op and guide governance decisions. Our board

of directors is comprised of members who live and work in our service area, for they are in a position to know where community investments are most needed.

Heartland Rural Electric Cooperative will continue to innovate and more effectively serve the community. We will continue to rely on you, our

members, to help provide us guidance. We hope that you participate in the director elections in the next few months and consider attending our annual meeting, held on March 26, 2019 in Fort Scott. We value your perspective, and we cannot operate effectively and help our community thrive without you.

Convenient access to your Heartland account

Manage your Heartland account from your computer or mobile device with SmartHub

By using our new online portal, you will be able to:

■ Pay your bill	■ Check your usage
■ Report a power outage	■ Receive news from the co-op
■ Manage your account	■ Subscribe to text & e-mail notifications

For more information visit heartland-rec.com or download the free app today!

www.smarthubapp.com

Download today and manage your account anywhere!

Cooperatives review post-election priorities with lawmakers

With the midterm elections in the rearview mirror, Heartland REC is looking ahead at the impact and opportunities for rural America and electric cooperatives.

Electric cooperatives across the nation played an active role in the midterm election and worked to get to know each candidate running for federal office. This was particularly important since more than 60 members of Congress decided to retire or run for other office.

Through Co-ops Vote, a non-partisan political engagement effort led by the National Rural Electric Cooperative Association, more than 100 candidates attended electric cooperative functions or met with co-op staff. Several statewide co-op associations sponsored or hosted a debate or forum for gubernatorial candidates, while more than 30 local electric cooperatives participated in National Voter Registration Day activities.

Recently, Heartland REC invited area lawmakers to our office in Girard to meet with co-op officials and discuss issues that may come before lawmakers this year that can have an impact on the price of power, reliability, and service to our members.

As we continue getting to know our new elected officials, Heartland will continue advocating for policies that protect local business interests and advance the quality of life in Southeast Kansas.

There are several opportuni-

ties for our elected leaders to find common ground and advance legislation to benefit our community.

Improving our nation's aging infrastructure is a great place to start. Congress and the White House should explore an infrastructure package that benefits all Americans, especially those at risk of being left behind in rural America. And this investment in critical infrastructure needs to go beyond roads and bridges. Congress should leverage an infrastructure package to help maintain and modernize the electric grid and connect rural communities to the modern economy.

The new Congress also presents an opportunity to expand access to high-speed internet service in rural communities that currently lack it.

Here in Kansas, big issues such as school finance, Medicaid expansion and a new transportation plan will be the top priorities for lawmakers. But there are several legislative issues that could impact electric cooperatives.

Electric co-ops will be challenged by several significant issues this session. Primary among them is expected consideration of retail wheeling of electricity. During the 2018 session of the Kansas Legislature, electric rates were a political hot topic. Some legislators campaigned with a pledge to lower electric rates and it was a cornerstone of Kris Kobach's run for governor.



Local lawmakers came to Heartland's office recently to visit with co-op officials and discuss issues expected to come up in Topeka this year.

Retail wheeling is a concept that would require consumers to choose their electric generation supplier. Local cooperatives would still be responsible for maintaining the poles and wires to deliver electricity, but Kansas residents would evaluate different rate plans and select a company to secure and provide the kilowatts needed to keep the lights on.

While retail wheeling supporters pledge lower prices, studies show little evidence that such restructuring brings benefits to most consumers. Additionally, deception, manipulation, and expensive public education campaigns in states such as Texas, where such retail wheeling has been tried, shows that price, reliability, and customer service can be negatively impacted.

We believe that because Heartland is guided by a board of directors drawn from local members, the needs of the local

community are always our top priority. Electric cooperative rates must cover the costs of power supply, debt service, and the costs of owning, maintaining and operating the infrastructure to deliver this power. Beyond this, any margin left over at the end of the year is allocated to the member-consumers on a patronage basis. This money is returned to the members annually at Heartland through capital credit retirement payments. There are no profits sent to outside shareholders, owners or investors.

Another issue we expect lawmakers to discuss in Topeka this year is distributed generation and changing electric rates as increasing numbers of people generate their own power from wind and solar.

The Kansas Corporation Commission recently issued an order acknowledging that people with wind and solar generation have significantly different use

characteristics, and that they can be placed in a separate rate class with their own unique rate design. The commission also said the historical two-part rate design was problematic and that those with wind and solar are being subsidized by those without wind turbines and solar arrays.

Heartland currently has several dozen members with wind and solar installations, and strives to serve their needs to the best of our ability through a net-metering policy. As solar installations grow and guidance from our lawmakers evolves, we will continue to adjust our rates to provide a fair rate for everyone.

Building strong relationships and clear lines of communication with state and federal lawmakers is crucial for all of this. Let us know your concerns about how developments in Topeka and Washington DC affect your utility bills.

Farm Bill advances interests of rural America

From community development to broadband and renewable energy, electric cooperatives stand to benefit from the Farm Bill overwhelmingly passed by Congress in late 2018 and signed by President Trump on December 20.

Lawmakers strongly supported the bill, and rural America. The House voted 369-47 in favor of the bill, while the Senate approved it, 87-13.

“The bill advances the interests of rural America,” said NRECA CEO Jim Matheson. “Its strong rural development provisions will enable co-ops to invest in modernizing the electric grid and continue key economic development activities in the communities they serve.”

Lawmakers agreed to keep or expand several programs important to electric co-ops.

The bill preserves the Rural Economic Development Loan and Grant Program beyond 2021, when funding was scheduled to expire. Electric co-ops use this program to finance economic development projects in their communities.

Funding also is maintained for the Rural Energy for America Program, which offers loans and grants for renewable energy initiatives.

The bill also extends the Rural Energy Savings Program to provide loans for home energy retrofits. Electric co-ops created the program as part of the 2014 Farm Bill. The new language increases the allowance for administrative expenses from 3 percent to 5 percent of the loan.

Big Win for Rural Broadband

Several provisions in the bill will help electric co-ops bridge the digital divide:

- Authorization for \$350 million a year in grants and loans for deploying rural broadband. (Funding for this new program is in addition to the Department of Agriculture’s \$600 million broadband loan/grant pilot program included in the budget passed by Congress in March.)

- Areas with low population



Lawmakers and supporters of rural America look on as President Donald Trump signs the 2018 Farm Bill on December 20, 2018. The bill includes several programs important to rural electric cooperatives.

density will be eligible for the highest proportion of federal grants. Broadband projects in areas with fewer than seven people per square mile may be eligible for grants covering up to 75 percent of the total project.

- Grants will be available for areas where 90 percent of the homes lack internet service at the minimum level of 25 megabits per second to download data and 3 Mbps to upload. In areas where half the homes are without 25/3 Mbps service, applicants will be eligible for loans.

- Loan or grant applicants must now commit to build broadband service at speeds that will meet the areas’ future needs.

- The bill does not prevent the use of Rural Utilities Service funding for broadband projects in areas that have received Federal Communications Commission funding.

Mixed Results on ‘Cushion of Credit’ Program

The RUS cushion of credit program has provided escrow-like accounts for borrowers to deposit excess money and earn a steady return. The Farm Bill modifies the program to allow for withdrawals from the cushion of credit account for purposes of paying down RUS debt without penalty. The bill will eventually lower the interest rate paid on

cushion of credit balances.

The bill includes these changes to the cushion of credit program:

- No new cushion of credit deposits will be allowed after the bill is enacted.

- Co-ops in the program may transfer their cushion of credit money to prepay RUS loans without penalty through Sept. 30, 2020.

- Remaining cushion of credit funds after 30, 2020, may be applied only to regular RUS debt service payments.

- Existing cushion of credit balances will earn 5 percent interest until Oct. 1, 2020, when that rate will drop to 4 percent. Beginning Oct. 1, 2021, interest on remaining balances will be paid at a floating 1-year Treasury rate.



Thunderstorms and strong winds on the night of Friday, November 30 brought down poles and wires in several areas of Heartland's service area west of Girard. Crews worked for several days to repair the damage.

Seats opening for co-op board of directors

Heartland Rural Electric Cooperative will soon be accepting nominations for the Heartland Rural Electric Cooperative Board of Directors.

Heartland REC's coverage area is divided into four districts and individuals who wish to run for a director's seat need to be active members of the cooperative and bona fide residents of the district they wish to represent. Packets of information for those seeking to be candidates for the Board of Director Election will be available at Heartland's Girard, Gas and Mound City offices starting on Thursday, January 10, 2019.

Districts 2, 3 and 4 will each have an election for one seat on the board in 2019.

District 1 is Heartland's northern-most district, and

includes the area around LaCygne, Pleasanton, Mound City and Blue Mound.

District 2 is Heartland's central/western district, and includes the area around Iola, Elsmore, Erie, Chanute and St. Paul.

District 3 is Heartland's central/eastern district, and includes the area around Prescott, Mapleton, Fort Scott, Hepler, Walnut and Farlington.

District 4 is Heartland's southern-most district and includes the areas around Girard, McCune, Pittsburg, West Mineral, Columbus, Oswego and Chetopa.

Potential candidates need to be nominated by written petitions signed by at least 25 Heartland REC members who are residents of the district to be represented. Potential candi-

dates will also need to complete and return the Affirmation of Director Qualification form that is also included in the election packet. Signed petitions and the Affirmation of Director Qualification must be filed at the Heartland REC office in Girard, Kan. by 5 p.m. on Monday, February 4, 2019.

If more than two qualified members from a district seek election, Heartland REC will hold a primary election to narrow the field to two candidates. Primary ballots would be mailed to members in the district on or before Thursday, February 14 and would need to be returned by 5 p.m. Monday, February 25. Ballots for the regular election will be mailed to members of the district on or before Monday, March 11, and will need to be returned

by 5 p.m. Monday, March 25. Election results will be announced at the Heartland REC Annual Meeting, which will be held Tuesday, March 26, at Fort Scott Community College.

If no contest is created and only a single nominee from the district seeks an open seat, the nominee will automatically be assigned membership on the Heartland REC Board of Directors and no election will be held.

Each Heartland REC member who files a nominating petition to become a candidate for director will also need to designate a teller to serve on the Election Committee, which is responsible for counting ballots. Members of the Heartland REC Board of Directors serve three-year terms and are expected to attend regular meetings (which

are currently held monthly in Girard) and any special meetings held as needed. Members of the Heartland REC board receive no salary for their services. A member of the HREC Board of Directors cannot be an employee of the cooperative or financially interested in a competing or similar enterprise. Nominees also cannot be closely related to a Heartland REC employee or current member of the Board of Directors. Additional details about the election process and director qualifications are included in the Heartland REC bylaws, which are available at our offices in Girard, Gas and Mound City.

Election paperwork will also be available at the cooperative's web site, www.heartland-rec.com

WE KEEP THEM UP HERE FOR A REASON.

STAY CLEAR OF DOWNED POWER LINES.

Helping members use electricity safely, that's the power of your co-op membership.

Learn more from the experts themselves at TogetherWeSave.com.



 Your Touchstone Energy® Cooperative

Choose the right space heater to warm chilly rooms

Dear Jim: I have seen ads stating using their electric space heaters will cut my electric bills. Is this true and which types of space heaters are best for various uses and rooms? - Vicki G.

Dear Vicki: Running an electric space heater to selectively heat a room or two can actually save energy overall, even if you have an efficient heat pump. The keyword here is “selectively”. Some ads exaggerate the savings by giving the impression their expensive space heater or two can heat your entire house. A five percent savings is reasonable to expect.

Standard 110-volt space heaters can produce maximum heat of about 5,100 Btu/hour. A heat pump produces three times as much heat as a space heater

per dollar on your electric bill. The only way to save overall with a space heater is if you set the central heat pump thermostat several degrees lower.

Depending upon your climate, you can expect to save about two to three percent of your heating bills for each degree you lower the thermostat setting. This savings will more than offset the electricity used by the resistance heating of the space heaters to keep just one or two rooms toasty warm.

The actual efficiency (Btu of heat per watt-hours of electricity used) of all electric space heaters is the same. This is true for the inexpensive \$20 ribbon heaters and the very expensive so-called “furnaces”. All of the electricity used becomes heat, so all models are effectively 100 percent efficient as compared to a gas or oil heating appliance where some heat is lost out the flue pipe.

The type and design of electric space heater does impact your savings and comfort. The size of the room, number of people and specific activities determine which type is your best choice. For example, are you looking for quiet heat in a bedroom at night, heat for just one person watching TV in an easy chair, for a group of people in a large room, etc.?

Your basic choices are direct radiant and convection (air circulation) space heaters with each having its advantages. Within each group, there are many comfort features and options which may impact your decision. If you have young children, there may also be some extra safety considerations.

Radiant style units produce quick heat. These use a red-hot ribbon, quartz or carbon tubes to produce infrared heat similar to the sun’s rays. They are designed to heat people directly in front of them. Carbon tubes produce far-infrared heat which penetrates objects and skin slightly below the surface. This makes it very comfortable, effective heat.

Radiant heaters are quiet and are ideal for heating a specific spot. One



ABOVE: This quartz radiant heater lights one or both elements for two heat settings and is ideal for heating a specific location or person. BELOW LEFT: This is a tower-style ceramic convection heater with an oscillation feature and digital controls and thermostat. The ceramic heating element does not get red hot as most other heaters do.

should be no more than eight feet away with you in a range of 20 degrees from direct center for the best comfort. I am using one while I write this column. To heat a slightly larger area, such as a sofa, select a model which automatically oscillates.

Convection heaters heat the room air, so it takes longer to feel the effect. Most models use a built-in fan to circulate room air over the heating elements so they make some noise. Oil-filled, radiator-style heaters use natural air circulation (hot air rises) to move the room air gently over the heat source. A horizontal model along a wall by the bed is ideal for bedrooms.

For a living room, which is often the largest room in the house, consider a convection-style heater. This will heat the entire room more effectively. If you typically sit in one chair, a mirrored or decorative radiant wall panel is effective

and quiet, but it cannot easily be moved.

When choosing a convection heater, select one with a three-speed fan and a thermostat for comfort. Pay attention to the thermostat type. A “programmable” thermostat usually means you can select a temperature setting and it will cycle on and off to maintain it. An “adjustable” thermostat means it can maintain a heat output level, but not a particular desired room temperature.

A ceramic convection heater uses small heating discs which never get extremely hot. There are no red hot heating elements. If it gets knocked over or the air flow gets blocked, the heating output automatically drops making it safer around children.

Send inquiries to James Dulley, Heartbeat, 6906 Royalgreen Dr., Cincinnati, OH 45244 or visit www.dulley.com.

Heartland's *Heartbeat* is published and distributed quarterly to all HREC members by Heartland Rural Electric Cooperative.

Subscriptions to *Heartbeat* are available by contacting Member Services at 1-800-835-9586. Subscription rates are \$3.95 per year.

For more information contact *Heartbeat* Editor Ron Graber at our Girard office or call 1-800-835-9586. He can also be reached at rong@heartland-rec.com



110 N. Enterprise Dr. PO Box 40
Girard, KS 66743

PRSR STD
U.S. POSTAGE
PAID
PRAdMar Corp

Be safe when using propane in your home

What is propane?

Propane is a portable, clean and efficient energy source which supplies about four percent of total U.S. energy needs. It is a byproduct of natural gas processing and petroleum refining, and exists as both a liquid and a gas.

Propane is sometimes referred to as liquified petroleum gas, LP gas, or LPG. About 90 percent of our propane is produced in America, making it a stable, domestic energy source. It is nontoxic, colorless and virtually odorless - but, for your protection, odor is added so it can be easily detected when necessary. The chemical odorant that is added is called ethyl mercaptan, which has a strong smell similar to rotten eggs.

1910, Dr. Walter O. Snelling, a chemist and explosives expert with the U.S. Bureau of Mines, was asked to investigate vapors coming from the gasoline tank vent of a newly purchased Ford Model T. Snelling filled a glass jug with the gasoline from the car and discovered on his way back to the lab that volatile vapors were forming in the jug, causing its cork to repeatedly pop out. He began experimenting with these vaporous gases to find methods to control and hold them. After dividing the gas into its liquid and gaseous

components, he learned that propane was one component of the liquefied gas mixture. He soon learned that this propane component could be used for lighting, metal cutting, and cooking. That discovery marked the birth of the propane industry.

Is propane clean?

Yes, propane is one of the cleanest burning fossil fuels. It creates less pollution than many other fossil fuels, providing all of us with cleaner, more breathable air.

Propane is a valuable alternative to electricity and significantly reduces emission of greenhouse gases.

Propane use - safe handling tips & information

Many homes and businesses use propane gas for heat, hot water, cooking and electricity generation. It's important that you use caution when handling tanks, fuel lines, appliances and generators to ensure safety.

Here are some important propane safety tips:

- Don't use or store propane tanks in basements or living spaces
- Properly secure portable propane tanks when transporting
- Do not leave portable propane tanks in cars or closed vehicles
- Secure temporary tanks when used for building heat, hot water, or cooking
- Contact a qualified propane service retailer to connect tanks to appliances
- Do not use propane gas BBQ grills inside

■ Refrain from using stoves or ovens for space heating

■ Do not use portable electric generators indoors – keep them outside of buildings

■ Have a qualified propane service technician connect appliances and perform a leak test

If you smell gas

■ Immediately extinguish all smoking materials and open flames

■ Get everyone out of the area where you suspect the gas is leaking

■ Turn off the gas supply valve of your propane tank if it is safe to do so

■ Once away from the leak, contact your propane supplier. If you can't reach them, call 911

■ Do not return to the area until your propane retailer, emergency responder, or qualified service technician determines it is safe to do so

Don't run out of gas

Serious safety hazards, including fire or explosion, can result. If an appliance valve or a gas line is left open when the propane supply runs out, a leak could occur when the system is recharged with propane.

Air and moisture could get into an empty or depleted storage tank, which can cause rust build-up inside the tank. Rust can decrease the concentration of the odor of propane, making it harder to smell. If your propane tank runs out of gas, any pilot lights on your appliances will go out. This can be extremely dangerous.

