



ROLLING HILLS ELECTRIC COOPERATIVE

NEWS

Rolling Hills Electric Co-op, Inc.

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Wilson – District 1

Larry Kendig, Trustee
Osborne – District 2

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Formoso – District 2

Staff

Douglas Jackson General Manager

Contact Us

3075B US Hwy. 24 P.O. Box 339
Beloit, KS 67420
785-534-1601 or 800-530-5572

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On Facebook, search for “Rolling Hills Electric Cooperative, Inc.” and like our page for continued updates, energy efficiency tips, cooperative news and outage updates.



FROM THE MANAGER

A Threat to Co-ops' Tax-Exempt Status

Due to an unintended consequence of current federal tax law, electric co-ops are finding themselves in a precarious position.

Imagine working hard to secure funding for an important local project only to turn around and give a large chunk of that money back in taxes.

That's the situation many cooperatives, including Rolling Hills Electric Co-op, may face because of recent tax law changes. And it could jeopardize the not-for-profit tax status of co-ops that receive government funding of any kind, including disaster relief aid, energy efficiency grants, economic development support and rural broadband development grants.

To maintain tax-exempt status, an electric co-op must receive at least 85% of all revenue from its members. However, an unintended consequence of a 2017 change to federal tax law modified the calculation for some contributions by a government entity or civic group.

Now, grants and other contributions may be considered non-member revenue and could threaten a co-op's tax-exempt status. This would have a profound impact on co-ops and their members. Here are two examples:

► Otsego Electric Cooperative received a \$10 million broadband grant from the state of New York, which

exceeds the 15% limit for non-member revenue in 2019. Otsego will lose its tax-exempt status if the Rural Act is not passed this year, CEO Tim Johnson said in April. Twenty-one percent of the grant money will have to be used to pay taxes.

► West Florida Electric Cooperative Association received \$24 million in expedited reimbursement from the Federal Emergency Management Agency (FEMA) this year for storm recovery work in the wake of Hurricane Michael in 2018. That's about 40% of the co-op's projected annual revenue. Gulf Coast Electric Cooperative is in the same tax position, and three other Florida co-ops could surpass the 15% threshold by year's end. It's unfair to classify the FEMA reimbursement as revenue — it was for expenses West Florida incurred to restore service to many of its members after the Category 5 hurricane pounded the Florida panhandle.

Encouraging Congress to fix the tax code to exempt government grants from being defined as non-member revenue is a high priority of the National Rural Electric Cooperative Association. The Revitalizing Underde-



Doug Jackson

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How Does Level Payment Adjustment Work?

This is the time of year when Tanya Buser, Accounting Assistant, will begin reviewing and adjusting those accounts on the “budget” or “level payment” billing plans. It has once again been a very hot and humid summer. Many of you may see an increase in your monthly budget amount. If you do not wish to absorb the overage by increasing your budget, you may pay the overage as a lump sum.

Below is an example to use when determining the new budget amount for the following six months.

Balance Forward	\$549.38
Customer Charge	\$35.00
kWh Charge	\$354.09
Property Tax Adjustment	\$-0.39
Power Cost Adjustment	\$10.69
County Tax	\$4.00
TOTAL OWED	\$952.77
Monthly Budget	\$350.00

AMOUNT OWED OVER BUDGET \$602.77

In the above example, you may pay the overage in a lump sum payment of \$602.77 or the monthly amount will have to be increased. You will be mailed a budget or level payment agreement that needs to be signed and returned to the office.

If you have a **CREDIT AMOUNT** in your **BALANCE FORWARD**, your budget amount has been keeping up with your monthly usage. Very little, if any, adjustment may be needed.

If you have questions or concerns about your account, please call Tanya at 800-530-5572 or 785-534-1601 during business hours.

AMI Update

Installation of the new Advanced Metering Infrastructure system is progressing at a steady pace. As of Oct. 7, installation of single-phase meters in the Belleville district was complete. The contractor is now working in the Lovewell and Gilbert areas. In all, approximately 2,732 single-phase meters have been installed and are operative.

Candidates Nominated for Trustee Positions

The Rolling Hills Electric nominating committees are responsible for nominating at least one candidate to fill each trustee position, which will expire on Dec. 31, 2019. The positions are three-year terms that begin on Jan. 1, 2020. Each nominating committee met in their respective district.

District 1

The District 1 nominating committee consisted of **BERNARD (SONNY) BOHNEN**, Wilson, and **TERRY KUESER**, Ellsworth. The committee met on Tuesday, Oct. 8, 2019, at 8 a.m. at the office of John Sherman, attorney for Rolling Hills Electric. Linnea Beebe, member services, was available for assistance.

COREY DLABAL, Wilson, Trustee Position 1, term expires and is eligible for re-election. Trustee nominee is incumbent Corey Dlabal.

District 2

The District 2 nominating committee consisted of **DAVID C. WARNE**, Mankato, and **GREG SHAMBURG**, Glen Elder. The committee met at the office of **PAUL WILSON** in Mankato at 8 a.m. on Wednesday, Oct. 9, 2019. Manager **DOUGLAS JACKSON** was available for assistance. Due to a scheduling conflict, the meeting location was revised.

LARRY KENDIG, Osborne, Trustee Position 1, term expires Dec. 31, 2019, and is eligible for re-election. Mr. Kendig has opted not to run for re-election.

DAVID DUBBERT, Beloit, was nominated for Trustee Position 1, a three-year term to expire Dec. 31, 2022.

TOM MARR, Formoso, Trustee

Position 4, term expires and is eligible for re-election. Trustee nominee is incumbent Tom Marr.

District 3

The District 3 nominating committee consisted of **JARED MELTON**, Belleville, and **BRIAN KEMLING**, Concordia. The committee met on Tuesday, Oct. 8, 2019, at 8 a.m. at the Rolling Hills Electric office in Belleville. Manager Jackson was available for assistance.

C. ERIC ANDERSEN, Jamestown, Trustee Position 1, term expires and is eligible for re-election. Trustee nominee is incumbent C. Eric Andersen.

The nominating committees determined each candidate is a member of the co-op and is receiving electrical service from Rolling Hills Electric at their primary residence. They also determined each candidate is eligible according to Section 4.02 of the bylaws. The names of candidates are posted in the centralized office in Beloit. The ballots for each district will be approved at the November Board of Trustees meeting.

Members who wish to file by petition must have the process complete and their name posted by Dec. 1, 2019.

All nominees for Trustee positions will be published in the December issue of *Kansas Country Living*.

Ballots will be mailed to members the week of Dec. 2, 2019, and will be counted Jan. 7, 2020. Unsigned ballot envelopes are considered null and void.

Rolling Hills strongly encourages you to be a part of this very important process by marking your ballot, signing the back of the envelope and returning it promptly.

A Threat to Co-ops' Tax-Exempt Status *Continued from page 16A ►*

veloped Rural Areas and Lands (RURAL) Act has been introduced in both the House and the Senate, attracting large groups of bipartisan co-sponsors. However, getting it enacted into law will be a heavy lift, given the political sensitivity of tax issues on Capitol Hill.

Congress must act now to correct

this unintended consequence and protect the tax status of electric co-ops. In doing so, Congress would preserve the full value of government grants that deliver societal benefits to our communities. Voice your support for the RURAL Act by visiting www.action.coop/ruralact.

Cold Weather Rule: What You Need to Know

Rolling Hills Electric Cooperative Inc. wants consumer-members to have the electric service needed to keep their homes warm during the winter. Rolling Hills Electric also recognizes the member's responsibility to make contact to establish payment arrangements. When we work together it ensures both goals are met.

What does the Cold Weather Rule mean for me?

The Cold Weather Rule helps existing consumer-members maintain electric service for their homes during the winter. You must make payment arrangements with Rolling Hills Electric.

How do I qualify?

If you cannot pay your entire electric bill, call Rolling Hills Electric to make payment arrangements:

- ▶ Agree to pay 1/12 of the past due amount of your bill, plus your current bill, all disconnection and connection fees, and agree to pay the remainder in equal payments over the next 11 months.
- ▶ Negotiate a payment plan to pay the past due amount off in fewer billing cycles.
- ▶ It will be necessary to pay your current monthly bill while paying off the past due amount.

- ▶ It will be necessary to contact Rolling Hills Electric if you are unable to fulfill the above qualifications.

What can you expect from Rolling Hills Electric?

Rolling Hills Electric will inform you of the Cold Weather Rule payment plan as well as other available payment options. Remember, under the Cold Weather Rule, you have the option of spreading your payment over a 12-month period.

Rolling Hills Electric will send written notice to consumer-members 10 days before disconnection, plus will call by phone or make personal contact the day before.

Can I be disconnected during the Cold Weather Rule?

Rolling Hills Electric will not disconnect your primary residence when the temperature is forecast to drop below 35 degrees over the next 48 hours, except in certain circumstances.

To prevent disconnection when it is 35 degrees or above, or to be reconnected regardless of temperature, you must make payment arrangements with Rolling Hills Electric.



The Cold Weather Rule helps existing consumer-members maintain electric services during the winter.

Rolling Hills Electric may start the final notification and disconnection process if there is a 48-hour forecast of temperatures above 35 degrees.

If the 48-hour forecast changes before the period ends and there is a forecast of below 35 degrees, Rolling Hills Electric will not disconnect until there is another 48-hour forecast of temperatures above 35 degrees.

Questions?

Please call Rolling Hills Electric Cooperative, Inc. at 800-530-5572. The Cold Weather Rule applies only to existing residential consumer-members at their primary residence and is subject to the Rules and Regulations of the Cooperative.

Co-opportunity Day 2019

Farmway Credit Union, Central Valley Ag and Rolling Hills Electric, all local cooperatives in Beloit, celebrated National Co-op Month on Oct. 4. This is the fourth year Rolling Hills has hosted the picnic. Approximately 400 meals were served. Employees from each co-op assisted in setup, cooking, serving and clean-up. Members and guests were served pulled pork, burgers, baked beans, chips, cookies and iced tea. Each co-op had a table display and provided information about their services. This is a great time for us to reach out to the members and communities for all they do for us.



Rolling Hills Electric hosted the Co-opportunity Day picnic along with Central Valley Ag and Farmway Credit Union on Friday, Oct 4. Approximately 400 members and guests were served a delicious meal.



Rolling Hills Electric employees Tanya Buser (left) and Adrian Reed (right) assisted serving meals to a steady flow of members and guests.

ELECTRIC COOPERATIVE
YOUTH
TOUR

WASHINGTON, D.C.

JUNE 18-25, 2020

FREE TRIP & \$500 SCHOLARSHIP
APPLY BY **DEC. 6**
CONTACT **LINNEA BEEBE**

785-534-1601 | LBEEBE@ROLLINGHILLS.COOP

COOPERATIVE YOUTH
LEADERSHIP
CAMP

COLORADO

JULY 10-16, 2020



ATTENTION HIGH SCHOOL JUNIORS | APPLY BY DEC. 6

Additional information and the form below are also available on our Facebook page and from your high school counselor.

- ▶ All high school juniors whose parents or guardians reside on Rolling Hills Electric Cooperative, Inc.'s power lines are eligible to apply.
- ▶ Contestants must complete the entry form below and return it by **DEC. 6**. Submit your application by email to lbabeebe@rollinghills.coop. You may also mail or deliver your application to: Rolling Hills Electric Cooperative, Inc., Attn: Linnea Beebe at 3075B U.S. Highway 24, P.O. Box 339, Beloit, KS 67420.
- ▶ Contestants will be mailed an entry packet. Finalists will be chosen from completed application, résumé, open-book quiz and short essay.
- ▶ Finalists will be interviewed to determine winners (time and date to be announced).
- ▶ Trip winners are expected to speak at Rolling Hills Electric's Annual Meeting.

Applicant Name _____ Birth Date _____

Address _____

City _____ State _____ Zip _____

Student Phone _____ Student Email _____

Grade _____ School _____

Name of Parent(s) or Guardian(s) _____ Electric Account # _____

Parent/Guardian(s) Phone _____ Email _____

I agree that all information supplied in this application is accurate and true. Applicant Signature _____

How Efficient is My Space Heater?

The efficiency of a space heater really depends on how it is being used. For instance, space heaters are not intended to heat the whole home 24/7. Below is a bit of information for determining how large of space a 1,500-watt space heater will heat and an approximate cost per hour of use.

A 1,500-watt heater producing 5,100 BTUs can heat 150 square feet. That's equivalent to a 10-by-15-foot room, an 11-by-14-foot room or one sized to 12-by-12 1/2 feet with a standard 8-foot ceiling. This heater will use 1.5 kWhs per hour of use. A heater operating 8 hours per day is equivalent to 12 kWh. If you are using more than one 1500-watt heater for the same length of time, multiply the kWh by the number of heaters.

For example, an approximate cost of operating three 1,500-watt space heaters for 8 hours continuously is calculated below:

- ▶ 1.5 kWh X 8 hours of use = 12kWh
- ▶ 12kWh X 3 heaters = 36 kWh
- ▶ 36 kWh X 12.734 cents/kWh = \$4.59
- ▶ \$4.59 X 30 days = \$137.70

Did you know that the performance of a 1,500-watt heater can vary from room to room? A north-facing room with little or no insulation and drafty windows that let in cold air, a large open room or an odd-shaped room with shelves and fixtures will also affect the performance of the heater. And always follow the safety directions for your heater.