

Membership Matters



MESSAGE FROM CEO AND GENERAL MANAGER RICK HAILE

OCTOBER IS NATIONAL COOPERATIVE MONTH, the time of year to celebrate what the benefits of cooperative membership truly mean. You could be a member of many institutions—a gym, a 4-H club, a food-of-the-month club—the list goes on and on. But being a member of a co-op is different.

When you are a member of a co-op, you are also an owner. When you signed up to be a member of Heart of Texas Electric Cooperative, you “bought” a stake in our business; and just like any stakeholder, you are offered the benefits of membership.

As a member, you have a say in electing the directors who democratically represent the membership on the co-op’s board. You have an opportunity to make your voice heard every year at our annual meeting. You get to register your opinion on local, state and national policy issues that your electric cooperative supports or opposes. You can even help determine how the co-op’s margins are redistributed.

Also, you receive capital credits whenever the board of directors decides it makes financial sense. Our bottom line is providing you with safe, reliable and affordable electricity, which demands that we think about expenses, overhead and other aspects of daily business. But when we have a little left over, we send it right back to you. Whether we return capital credits to you in the form of a bill credit or a check, you have a say in where that money goes. Returning capital credits to you is another major part of why being a co-op member matters.

As your local electric co-op, we have the privilege of being a vital part of the surrounding communities. When we think about membership, we think about all of the ways we can give back to you, our members.

Improving the quality of life for our members and giving back is what cooperatives are all about.



Sealing leaks and adding insulation can improve the overall comfort of your home and make a difference on utility bills.

Why Seal and Insulate?

THE LEAKS, HOLES AND GAPS that allow air to escape from a typical home create an effect equivalent to leaving a window open every day of the year.

Creating barriers to the places where outside air can get into your home—or where indoor, conditioned air can get out—is often cited as one of the most important home improvement measures you can take. But how does it work?

Save energy and money: Air that leaks through your home’s “envelope”—the outer walls, ceilings, floors, windows, doors and other openings—wastes a lot of energy and increases your utility costs. A well-sealed envelope, coupled with the right amount of insulation, can make a real difference on your utility bills.

Increase comfort: Sealing leaks and adding insulation can improve the overall comfort of your home and help fix many common problems, such as drafty rooms; too-hot or too-cold rooms; uneven temperatures among rooms; cold floors in the winter; and high energy bills.

Sealing and insulating can also result in other environmental benefits, such as reduced noise from outside; less pollen, dust and insects or pests entering your home; and better humidity control by your HVAC system.

Most homes will benefit: Most homes in the United States don’t have enough insulation and have significant air leaks.



Online Bill Pay: Frequently Asked Questions

HEART OF TEXAS ELECTRIC COOPERATIVE offers an online bill pay service to its members that allows them the convenience of paying their monthly electric bill using the Internet. After signing up, members can obtain a 13-month billing detail, billing history and graph. They will be able to request service orders for general maintenance, such as tree trimming or security light repairs, or calculate their bill.

How do I sign up for online bill pay?

You can access the Heart of Texas EC website by visiting hotec.coop. Register for online bill pay by clicking the highlighted Online Bill Pay tab. You will need to provide your Social Security number, phone number and account number. Problems might occur if these do not match the information we have on file, at which point you would need to contact the office by telephone or in person.

Why do I need a challenge phrase?

The challenge phrase is an important security tool for your account during the login process. If you forget your password, you will be presented with your challenge question and asked to enter the answer. The question should pertain to a personal fact that few people know, such as your maiden name, favorite sports team or pet's name.



Will I receive a printed bill?

Yes, you will still receive a printed bill in the mail. You will also receive an email notification that your bill is ready to view, and an email confirmation each time a payment is posted to your account.

What if I forget my username or password?

You may retrieve your password or username by clicking on the "Forgot Username or Password?" link located at the bottom of the login page. You will be asked to provide your account number and username or email address, depending on the information you request. You will also be asked your challenge question. The information you request will be sent to the email address you used during the signup process.

What if I am not receiving my new bills or payment confirmations?

If you are not receiving new bill notices or payment confirmations, you may have an invalid email address listed on your profile. You can verify or make changes to your email address and your profile by going to "Edit my Profile."

What are the benefits of online bill pay?

In addition to having the convenience of paying your bill on YOUR time and at YOUR convenience, the benefits are numerous. This service allows you to view and maintain your account outside of regular business hours. You can estimate what your upcoming bill will be, enabling you to better budget your finances. Bill notifications allow you to see your new bills before they appear in your mailbox.

This service is free and secure. You can pay your bill online with a personal or business check or use your Visa, MasterCard, American Express or Discover card. Payments are posted immediately to your account.

Sign up today and take advantage of this incredibly convenient payment option. If this option is not for you, automatic bank and credit card drafts are available, as well. If you have any questions or concerns regarding any of the payment options, please contact your local HOTECCOOP office.

Heart of Texas Electric Cooperative

Operating in Bell, Bosque, Coryell, Falls, Hamilton, McLennan and Milam counties

CEO AND GENERAL MANAGER

Rick Haile

DIRECTORS

Garland Cook, District 1
DeWayne Draeger, District 6
Kermit Dreyer, District 7
Paul Edge, District 2
Dan Foster, District 9
Kenneth Hollas, District 3
Bobby Nawara, District 4
Allen Shows, District 5
Larry Stock, District 8



CONTACT US

McGREGOR OFFICE

(254) 840-2871 local
1-800-840-2957 toll-free

1111 S. Johnson Drive • P.O. Box 357
McGregor, TX 76657

OFFICE HOURS

Monday-Friday, 8 a.m.-5 p.m.
Drive-thru 7:30 a.m.-5:30 p.m.

ROSEBUD OFFICE

(254) 231-0444 local
1-800-840-2957 toll-free

159 Loop 265 • P.O. Box 598
Rosebud, TX 76570

OFFICE HOURS

Monday-Friday, 8 a.m.-5 p.m.

CREDIT/DEBIT CARD PAYMENTS

Online at hotec.coop
By phone at 1-855-399-2688

FIND US ON THE WEB

hotec.coop





HEART OF TEXAS ELECTRIC COOPERATIVE ANNUAL MEETING

TUESDAY, OCTOBER 20, 2015 • 7:30 P.M.

Frank W. Mayborn Civic & Convention Center • 3303 N. Third St., Temple

HEART OF TEXAS ELECTRIC COOPERATIVE INVITES ALL ITS MEMBERS to attend this year’s annual membership meeting October 20 at the Frank W. Mayborn Civic & Convention Center in Temple. The business meeting begins at 7:30 p.m.

You hear information on the operations of your co-op, highlights of the accomplishments made throughout the year and a discussion of the challenges we face in the future. More than \$2,500 in attendance prizes are awarded throughout the evening.

Guest speaker is state Rep. Jimmie Don Aycock. He represents House District 54 and is the chairman of the Public Education Committee and a member of the Defense & Veterans’ Affairs Committee. He has served as an appointed member of the Appropriations Subcommittee on Education.

We hope you take this opportunity to meet your HOTEK family and celebrate another successful year.

RIDE WITH US ON A SHUTTLE BUS

HOTEK is providing shuttle buses to and from this year’s annual meeting at no cost to members. Buses depart from the Rosebud and McGregor offices at 6 p.m. Seating is limited, so please make your reservations early for a seat on the bus.

ELECTION NOTICE

The following districts seats are up for election, and the individuals named have been nominated for election to their respective districts. Voting takes place during the meeting.

DISTRICT 2
Paul Edge

DISTRICT 6
Dewayne Draeger

DISTRICT 9
Dan Foster

SPECIAL ACTIVITIES AND ATTENDANCE PRIZES

Grand Prize Drawings: Two \$500 credits on members’ electric accounts, plus other prizes are awarded during the evening.

Special Activities for Children: Visit with our HOTEK linemen as they demonstrate how they work in a bucket or on a pole.

Kids’ Prize Drawing: A Kindle Fire is awarded to each one boy and one girl.

TENTATIVE AGENDA

- ▶ Call to order
- ▶ Invocation and Pledge of Allegiance
- ▶ Introduction of directors and guests
- ▶ Approval of minutes
- ▶ Drawing for grand prizes
- ▶ Drawing for attendance prizes
- ▶ Director election voting
- ▶ President’s report
- ▶ Employee service awards
- ▶ Manager’s report
- ▶ Youth Tour participant:
Mallory Wright
- ▶ Guest speaker:
State Rep. Jimmie Don Aycock
- ▶ Drawing for youth prizes
- ▶ Drawing for attendance prizes
- ▶ Announce grand prizewinners
- ▶ Questions
- ▶ Adjourn

FINANCIAL STATEMENTS

June 30, 2015 and 2014

CONDENSED BALANCE SHEET

| | 2015 | 2014 |
|--|---------------------|---------------------|
| ASSETS | | |
| Electric plant (net) | \$55,910,274 | \$54,159,481 |
| Other assets and investments | 19,011,726 | 17,629,590 |
| Current assets | 7,402,225 | 6,869,904 |
| Deferred charges | 1,362,301 | 1,398,670 |
| TOTAL ASSETS | \$83,686,526 | \$80,057,645 |
| LIABILITIES AND EQUITIES | | |
| Equities and margins | \$54,509,960 | \$50,578,219 |
| Long-term debt | 21,503,399 | 21,408,536 |
| Accumulated post-retirement benefit obligation | 930,248 | 1,039,707 |
| Current and accrued liabilities | 5,920,930 | 6,369,990 |
| Deferred credits | 821,989 | 661,193 |
| TOTAL LIABILITIES AND EQUITIES | \$83,686,526 | \$80,057,645 |

CONDENSED STATEMENT OF REVENUE AND PATRONAGE CAPITAL

| | 2015 | 2014 |
|---|---------------------|---------------------|
| OPERATING REVENUES | \$39,841,932 | \$41,200,554 |
| OPERATING EXPENSES | | |
| Cost of power | 27,921,719 | 29,119,741 |
| Distribution expense | 3,296,354 | 3,631,862 |
| Depreciation and amortization | 2,466,996 | 2,369,014 |
| Consumer, sales, administration and general expense | 2,593,903 | 2,319,439 |
| TOTAL OPERATING EXPENSE | 36,278,972 | 37,440,056 |
| OPERATING MARGINS BEFORE FIXED CHARGES | 3,562,960 | 3,760,498 |
| FIXED CHARGES—INTEREST ON LONG-TERM DEBT | 1,655,436 | 1,623,888 |
| NET OPERATING MARGINS | 1,907,524 | 2,136,610 |
| NONUTILITY MARGINS | | |
| Interest income | 869,085 | 772,729 |
| Other nonutility income | 102,490 | 79,819 |
| Equity earnings in subsidiaries | (75,295) | (84,498) |
| TOTAL NONOPERATING INCOME | 896,280 | 768,050 |
| CAPITAL CREDITS | 1,557,106 | 2,427,532 |
| NET MARGINS FOR THE PERIOD | 4,360,910 | 5,332,192 |
| PATRONAGE CAPITAL BEGINNING OF YEAR | 49,210,800 | 44,489,404 |
| NET CHANGE IN PATRONAGE | (648,609) | (610,796) |
| PATRONAGE CAPITAL END OF YEAR | \$52,923,101 | \$49,210,800 |

Contemporaries Host Holiday BOW-tique

AS THE WEATHER TURNS COOLER, our thoughts always seem to turn to the upcoming holidays. The Contemporaries of the Cultural Activities Center in Temple have made gift-giving, decorating and dressing a lot easier by hosting the annual Holiday BOW-tique event. This shopping experience is held November 3 and 4.

The Contemporaries have been at it since 1995 and like to call the Christmas bazaar “a gift to the community.”

“It’s our way of saying ‘Thank you’ each year to all the supporters in the area who are always there for the CAC,” says Hilde Cort, co-chair, working with Jean Thorp, chair. “We hope that everyone will be able to come out and enjoy this fun shopping experience.”

Admission is free, and door prizes donated by the vendors are awarded during both shopping days. There are several raffle items, also courtesy of the vendors and the chairmen of the BOW-tique. Tickets are \$1 for one or \$5 for six.

This year’s event takes place 3–7 p.m. Tuesday and 9 a.m.–4 p.m. Wednesday. This holiday event features many local artists, authors, crafters and small businesses. Their booths are loaded with seasonal and specialty items, including hand-painted Christmas ornaments and stained-glass ornaments. There are many handcrafted items, including fashion jewelry of all styles and prices.

Shoppers are able to purchase a light evening snack before or after their shopping Tuesday evening. At noon Wednesday, a delicious box lunch is available for purchase.



Seleese Thompson-Mann, owner of Precious Memories Florist and Gift Shop, promises to have lots of Halloween and Christmas items at her booth.

“It will be a great opportunity to start and finish your holiday shopping early,” says Cort, “so bring your list, shop, eat, visit with friends and get in the holiday spirit!”

The Contemporaries are the fundraising arm of the Cultural Activities Center in Temple. The group’s mission is to provide funding for the center in support of the performing and visual arts with a major focus on opportunities for children to participate in activities that stimulate a lifelong interest in the arts.

Anyone interested in renting a table can contact Jean Thorp at (254) 778-6430 or seajean@msn.com.

RECIPE OF THE MONTH



UCKYO | DOLLAR PHOTO CLUB

Slow Cooker Pozole

1 medium dried chile, rehydrated
 2 cans chicken broth (15½ ounces each), divided use
 ¾ pound pork tenderloin, diced
 ¾ pound skinless, boneless chicken breast, diced
 2 cups onion, chopped
 1 medium bay leaf
 ¾ tablespoon Mexican oregano
 ¾ tablespoon ground cumin
 1 ½ teaspoons crushed garlic
 1 can green chiles (4½ ounces)
 1 can beef broth (14½ ounces)
 1 can white hominy (15 ounces)
 2 cans yellow hominy (15 ounces each)
 Salt and pepper to taste

1. Purée rehydrated chile with half of chicken broth.
2. Scrape mixture into 5-quart slow cooker and add remaining ingredients. Mix well.
3. Cover and cook on low 6–7 hours or on high 4–5 hours. Serve with avocado, chopped onion, tortilla chips, etc., as desired.

Find this and more delicious recipes online at
TEXASCOOPPOWER.COM



Rosebud's annual 100+ Garage Sales event draws crowds from far and near. Vendors line Main Street and individual sales are scattered across town from dawn until dusk.

Rosebud Hosts 100+ Garage Sales

THE SMALL COMMUNITY OF ROSEBUD hosts its 30th annual 100+ Garage Sales event Saturday, November 7. Hosted by the Rosebud Chamber of Commerce and Agriculture, "the largest garage sale in Central Texas" is held from sunup until sundown.

Garage sales are set up all over town, with a large vendor area in the downtown area. A list of garage sale locations is handed out by chamber directors on the day of the sale.

All types of goods are on display, from baked goods, jellies, and arts and crafts to household goods and more. Lots of tasty treats are for sale, and the aroma of the various delicacies guides shoppers to the booth locations.

Vendor registration is held at Rosebud City Hall on Main Street. For more information, call the Rosebud Chamber of Commerce and Agriculture at (254) 583-7979 or city hall at (254) 583-7926.



HOTEC Named a Recognized Business

The Rosebud Chamber of Commerce and Agriculture recently named Heart of Texas Electric Cooperative the Business of the Quarter, citing our Concern for Community—one of the Seven Cooperative Principles on which co-ops operate. Our linemen help us fulfill that principle, helping in the community whenever they're called upon. Thanks to all the members of our line crew. Pictured are just a few of the guys: D.J. Denman, Will Alexander, Kenneth Fikes, Jamie Williams, Myron Schanck, Jonathan Wilde, Rico Gauna and Chad Miller.

Halloween Safety by the Letter

EVERYONE LOVES A GOOD SCARE on Halloween, but not when it comes to child safety. Share these tips with your kids to make the festivities fun and safe.

- S**words and other costume accessories should be short, soft and flexible.
- A**void trick-or-treating alone. Walk in groups or with a trusted adult.
- F**asten reflective tape to costumes or carry battery-powered lights to be seen by drivers.
- E**xamine treats before eating them. Limit the amount of treats you eat.
- H**old a flashlight while trick-or-treating to help you see and others see you.
- A**lways test makeup first. Remove it after coming home to prevent skin and eye irritation.
- L**ook both ways before crossing the street. Use crosswalks where possible.
- L**ower the risk for eye injury by not wearing decorative contact lenses or eye masks.
- O**nly walk on sidewalks where possible, or on the far edge of the road facing traffic.
- W**ear well-fitting masks, costumes and shoes to avoid blocked vision and falling.
- E**at only factory-wrapped treats. Avoid eating homemade treats made by strangers.
- E**nter a home only if you're with a trusted adult. Never accept invitations from strangers.
- N**ever walk near lit candles or luminaries. Wear flame-resistant costumes and use electric lights.



LISA E. YOUNG / DOLLAR PHOTO CLUB

Member Shares Meaningful Co-op Relic, Memories

NOT MANY OF US REMEMBER THE DAYS before electricity. Life was not so easy. You had to light a coal oil lamp to see at night. There was no thermostat to keep the house at the right temperature. There were no TVs and, if you had a radio, it was powered by a large battery.

A reminder of the impact of the Rural Electrification Act on the lives of rural Texans was dropped off recently at Heart of Texas EC's Rosebud office by a current member, Delois "Dee" Obermiller. She has been a member since 2009, taking over the account held since 1944 by her father, Raymond Pimpler.



HOTEC member Dee Obermiller shows her father's 1944 membership certificate and shares memories of attending annual meetings as a child.

The membership certificate that her parents had saved for so many years is a testament to the value they placed on it, and on the co-op that provided them the ability to improve their quality of life with the power of electricity.

The certificate, No. 2153, was printed on heavy paper, signed by officers of the cooperative Dan Irwin and J.C. Geiser, and imprinted with the cooperative seal.

Obermiller remembers as a small girl, always having electric lights, "... but, we had an icebox that was cooled with a large block of ice." She also remembered when her family was fortunate enough to purchase their first refrigerator.

Obermiller has fond memories of attending the cooperative's annual meetings, where the crowds of people would gather at the football field and spread quilts on the ground. "As a little girl, it was the thing to go to." She recalled that some of the prizes were fans, cooking pots and even refrigerators. Cars would line the streets leading up to the meeting site. "Some even pulled trailers, just in case they were lucky and won one of the large prizes," she said.

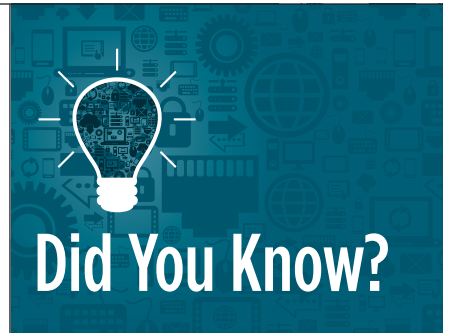
The Meaning and Importance of Membership

Also enclosed in the envelope was a document entitled, "The Meaning and Importance of

Membership." It describes the cooperative as a "basic symbol of our right, privilege and duty to help determine the course of economic and social progress in our community."

It details what membership means: "To the farm family, Membership means the right to enjoy and the duty to use effectively the low cost electric power provided by the Cooperative." And it continues, "Thus, increased Membership is of vital importance to the individual member."

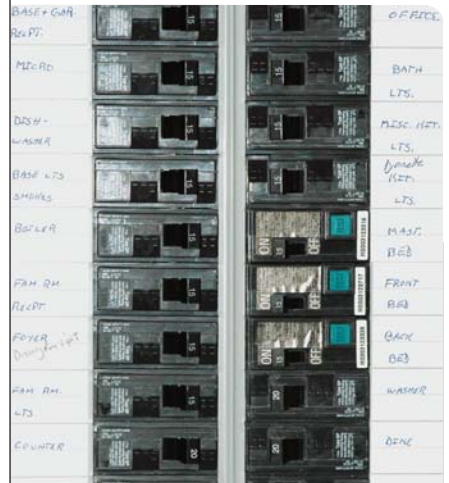
These documents give us a glimpse back at our history and remind us of the huge task those first cooperatives undertook to bring electricity to the farms and ranches in rural Texas.



Did You Know?

The average American home spends an estimated 13 percent of its annual energy bill on cooling, 9 percent on heating, 11 percent on lighting, 9 percent on water heating and 7 percent on refrigeration. The other half goes mostly to household appliances and electronics.

—U.S. Energy Information Administration



Power Tip

How well do you know your home's electrical system? Make life easier when navigating an outage or other home electrical issues: Make a map showing which fuse or circuit breaker controls each switch, light or outlet.

What Is It? Then and Now

MOST HEART OF TEXAS ELECTRIC COOPERATIVE members recognize an electric meter when they see one. However, some of the tools our servicemen use today look quite different from those used in the 1930s, '40s and '50s.



1. This Westinghouse meter is no longer used today. HOTE is in the process of installing new PLX meters.

2. Thank goodness, the old handheld fan has been replaced with a modern electric fan—and, of course, the air conditioner.

3. This handheld voltage tester replaced several older, heavier tools and takes up much less room on the service truck.

4. It may look like a bird-house, but this is a sectionalizing cutout used on an electric service line. The modern version below it does not look much like the old one, and it is much more reliable.



Happy Halloween

from Heart of Texas EC

CHEPKO DANIL | DOLLAR PHOTO CLUB

