



# NEWS *Lines*

Published monthly for the member-owners of North West Rural Electric Cooperative

## “COOPERATION AMONG COOPERATIVES” AND “CONCERN FOR COMMUNITY” *in Action*

Employees from Northwest Iowa Power Cooperative and its member distribution cooperative North West Rural Electric Cooperative gathered to present a \$9,000 donation to the Le Mars Little League.

This donation reflects contributions from NIPCO and North West REC and includes matching funds provided by Basin Electric Power Cooperative and CoBank’s Sharing Success program. Basin Electric, headquartered in Bismarck, ND, is the primary power provider for NIPCO and its member distribution cooperatives. CoBank, headquartered in Greenwood Village, CO, serves as one of NIPCO’s partner lending institutions.

“The Le Mars Little League organization serves the Le Mars area youth and is an important piece of the area’s quality of life for the residents of this community,” noted NIPCO Executive Vice President and General Manager Matt Washburn. “Because we are committed to the communities we serve, this donation seemed to be the right thing to do in light of the devastating loss that organization felt when the September flood waters overtook the complex and storage buildings.”

NIPCO, North West REC, Basin Electric Power Cooperative and CoBank are each not-for-profit cooperative institutions governed by the Seven Cooperative Principles. The donation reflects two of these principles: “Cooperation Among Cooperatives” and “Concern for Community”. The contribution is designated to be used toward offsetting costs incurred by the Le Mars Little League program in its restoration efforts, prior to the 2019 season.



Matt Washburn, Exec. Vice President and General Manager of NIPCO, along with employees from NIPCO and North West REC, presents a check for \$9,000 to Le Mars Little League Representatives Heath Husk and Annette Kuiken.

DECEMBER 2018

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# TIPS FOR A SAFE AND HAPPY *Holiday Season*

Nearly every household uses extra electricity during the holidays – for cooking, decorating and heating the house to everyone's satisfaction.

Take extra care to use electricity safely, and to ask family members and house guests to do the same. Here are a few tips:

- One of the riskiest holiday behaviors is overloading your electrical outlets. You will overload your wall outlets if you plug strand after strand of outdoor or tree lights together, and then plug them into an extension cord that you plug into an outlet.
- Plugging multiple strands of cords into a power strip does not add any juice to the electrical circuit that powers the outlet you plug the strip into.
- Check decorative lights for damaged cords, plugs and sockets. Replace anything that is frayed, cracked or broken. Buy cords that are certified by UL; look for the UL symbol on the package.
- Don't run extension cords under rugs, carpets or baseboards. This creates a fire hazard.
- When you put up outdoor decorations, avoid stringing lights in trees near power lines. Always carry your ladder so it is parallel to the ground. Before placing your ladder in an upright position, look around to ensure you are a safe distance from any power lines.
- Fasten outdoor lights securely with insulated staples, never nails or tacks.
- Keep electric lights away from decorative metal trees.
- Keep all light strings out of reach of small children and pets. Both like to chew the wires!



*We wish you a safe and happy holiday season!*

## *Patronage* RETIREMENT

The Board of Directors has approved the retirement of patronage this year, and the total amount will be \$1,623,000. This is the largest retirement your Co-operative has ever made. This will be for the remaining unretired portion of the allocation that was made in 2005 and all of the 2006 assignment.

If you were unable to attend the Member Patronage Days and pick up your check, you will receive your check by mail by the end of December. If your refund amount is less than \$50, your patronage refund will be made in the form of a credit on your electric bill dated December 20.

With this \$1,623,000 patronage refund, it brings the total patronage that has been returned to the members during the last 79 years to \$24,700,000! We believe this is a true demonstration of what a Cooperative is about.

## *Holiday Greetings!*

The board of directors and employees of North West REC would like to wish all the members and their families a very blessed holiday season. We look forward to working with you and for you in 2019!

**Our offices will be closed in  
observance of the holidays  
December 25 and January 1  
Please call 800-766-2099  
in case of an outage or emergency**



# Committee ON NOMINATIONS is Selected

The Board of Directors has selected the Committee on Nominations, and they will be meeting in January to select nominees for election to the Board of Directors of North West REC. One director will be elected in Districts 1, 2 and 3; and there will not be a director election in District 4 this year. They will be voted on and elected at the Annual Meeting of the Cooperative.

Contact one of the nominating committee members in your district if you have any interest in running for the Board of Directors or you know of any member that would be interested. For your information, please review the director qualifications listed below.

## Committee on Nominations

### District 1 – Sioux Co.

Keith Boer  
2758 320th St  
Rock Valley, IA 51247  
712-476-2316

Bruce Schafer  
3654 Kingbird Ave  
Sheldon, IA 51201  
712-752-8584

Scott Te Grootenhuis  
4213 400th St  
Hospers, IA 51238  
712-230-1168

### District 2 – O'Brien Co.

Dennis Heemstra  
6413 380th St  
Primghar, IA 51245  
712-728-2337

Chad Negus  
5328 430th St  
Paullina, IA 51046  
712-949-3659

### District 3 – Plymouth Co.

James Dennison  
15536 120th St  
Akron, IA 51001  
712-568-3278

Brad Harvey  
17771 K18 N  
Akron, IA 51001  
712-568-3565

Adam Schmidt  
17732 Jade Ave  
Le Mars, IA 51031  
712-540-2588

## Your Current Board of Directors

### District 1

Steve Abma, Rock Valley  
\*Del Beyer, Sioux Center  
Jeff Rehder, Hawarden

### District 3

Doug Becker, Hinton  
\*Shirley Benson, Remsen  
Steve Brown, Merrill  
Scott Feuerhelm, Merrill

### District 2

\*Chad Dau, Paullina  
Tom Wagner, Primghar

### District 4

Dan Hoffman, Ida Grove  
Dale Ullrich, Arthur

\* Director whose term is expiring in 2019

## Director QUALIFICATIONS:

The Cooperative's bylaws establish that a director must be a member, individually, and a bona-fide resident of the district from which they are elected to represent.

To do a competent job, a director is expected to:

- Attend all regular monthly board meetings. The Board holds daytime meetings usually scheduled for the last Thursday of each month. Meetings last approximately six hours.
- Attend the annual meeting of the Cooperative.
- Attend special meetings of the Board, or of committees to which assigned by the president.
- Attend meetings of related organizations such as Northwest Iowa Power Cooperative, Iowa Association of Electric Cooperatives, National Rural Electric Cooperative Association, National Rural Utilities Cooperative Finance Corporation, Federated Insurance, and others, when necessary.
- Read and be familiar with information, data and reports received from cooperative management, national, state and other local associations.
- Establish and maintain contact with members of the Cooperative in his or her locale.
- Work in harmony with the other members of the Board and employees for the good of all members of the Cooperative.

# MANAGER'S *Report*





Lyle D. Korver

*"In addition to the base rates not increasing for the next two years, the PCA will also remain stable at 1.6 mills."*

## Looking Ahead at Rates for 2019 and 2020 Rates to Remain Stable

As we close out the 80th anniversary year, I'm pleased to share some good news on rates. At the October board meeting, the Board reviewed the new financial forecast and decided that rates would be kept stable for the next two years.

The current rate structure was implemented on June 1, 2015, and the power cost adjustment (PCA) was set at 0. The base rate of our single phase rate (the rate that over 90% of our members are on) is as follows:

<b>Years</b> 2015, 2016 2017, 2018		Monthly Facility Charge - \$21.50 First 300 kWh's – 14.5 cents Next 200 kWh's – 9.8 cents Balance over 500 – 8.1 cents		<b>Years</b> 2019 2020
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### 5 Years of base rate stability!

We also offer a Switch Makes Cents electric heat rate for those members who have electric heat as their primary heat source. This rate has a \$2.50 monthly facility charge and the kWh rate is 4.9 cents. It applies to the electric heating, air conditioning and water heater usage.

The PCA, which helps to recover or refund power cost increases or decreases, was set at 0 back in 2015 when the rates were last adjusted. It has increased slightly over the last four years and this year it is 1.6 mills – which is less than 2/10 of a cent. On 1,000 kWh's the PCA is \$1.60. **In addition to the base rates not increasing for the next two years, the PCA will also remain stable at 1.6 mills.**

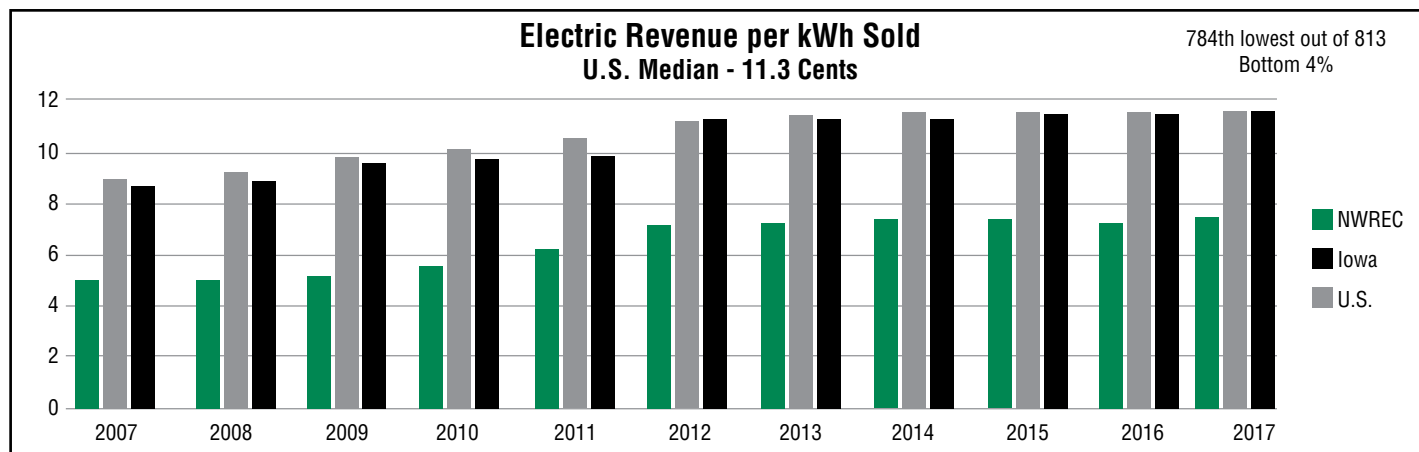
This is great news for our members and the Cooperative. We have some of the most competitive electric rates in the U.S. and this will continue!

The main reasons that the Board was able to make the decision to hold rates stable for the next two years is that we continue to have excellent growth and our power costs have started to stabilize. We continue to add new services and now have over 10,000 services. kWh sales have grown significantly over the years and are up another 4.37% year-to-date through September. Our wholesale purchased power costs, which make up 80% of our total operating expenses, are projected to increase just slightly in the next few years. When we ran our new forecast, with the projected growth in sales from the new load we are gaining and the stabilizing power costs, it shows that we will be able to hold the rate steady and still meet the financial covenants of our lender.

## Favorable Report from NWREC's Lender

Our lender, the National Rural Utilities Cooperative Finance Corporation (CFC), completes a statistical analysis each year, which gives the member cooperatives the opportunity to compare their financial and operating ratios with other REC's around the country. This analysis is called the Key Ratio Trend Analysis or KRTA. It is a great benchmarking tool for us and highlights both our strengths and weaknesses and trends. There are 813 REC's included in this analysis, and I'm pleased to report that your Cooperative compares very well overall.

One of the statistics shows a comparison of how NWREC's rates compare to the other REC's. The graph below shows that when you compare the revenue per kWh sold for all of the cooperatives, NWREC's rates are in the lowest 4% in the U.S. It also shows that we have the lowest rates on a revenue per kWh sold basis of any of the REC's in Iowa. It also compares NWREC's rates to the median rates of the other REC's.

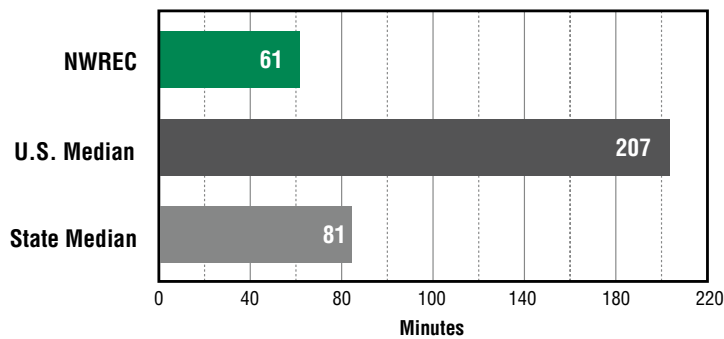


NWREC compares very well in many of the other financial and operating ratios also, and the following is a summary of the key ratios for 2017.

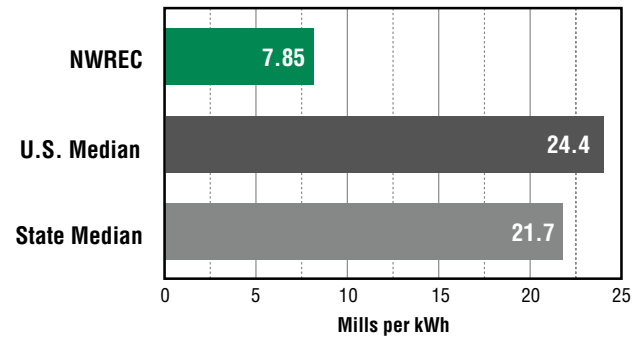
Ratio	NWREC	U.S. Rank	State Rank	U.S. Median
<b>Total kWh Sales</b>	684,525,000	171st highest	Highest	308,821,000
<b>Avg. Farm/Res. Usage per month</b>	2,298 kWhs	3rd highest	3rd highest	1,107
<b>Retail Rate-Revenue per kWh sold</b>	7.8 Cents	29th lowest	Lowest	11.3 Cents
<b>Total Margins per kWh Sold</b>	5.17	205th lowest	Lowest	7.8
<b>Total Controllable Expenses per kWh Sold</b>	7.85 mills	13th lowest	Lowest	24.4 mills
<b>Long Term Debt per kWh sold</b>	50.5 mills	130th lowest	2nd lowest	121 mills
<b>Service Reliability – Avg. Outage Minutes per Consumer</b>	61 minutes	95th lowest	11th lowest	207 minutes

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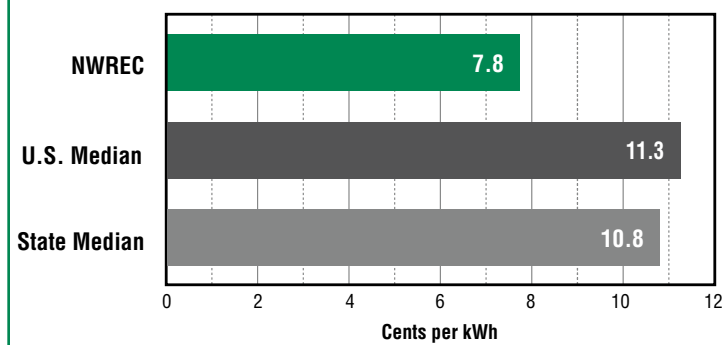
### Average Outage Minutes



### Total Controllable Expenses



### Retail Rate Comparison- Revenue Per kWh Sold



We have reviewed this report with the Board of Directors and they were very pleased. Be assured that we continue to work hard on behalf of the members and try to improve on these already strong ratios. We know there is always room for improvement, and we use these types of reports and comparisons to evaluate areas we need to focus on. Thank you for your continued support of NWREC.

### Board Room Summary – October 25

The following is a brief summary of the discussions and decisions from the board meeting held on October 25:

- Received monthly safety, operations and financial reports from staff.
- Heard a report on the status of the underground contractor project.
- Reviewed the new 10-Year Financial Forecast. Following the review, the Board voted to keep electric rates stable and unchanged for 2019 and 2020.
- Approved changing our newsletter format to four color.
- Appointed the Nominating Committee members for 2019 director nominations.
- Received an update on cyber security issues and reviewed the updated Enterprise Risk Management Plan.
- Approved moving forward with a pilot project with an Eaton RF mesh load management and AMI system.
- Approved Operation Round-Up donations to several charitable organizations and medical emergency situations.
- Manager Korver reported on several economic development projects that are underway. There are some very good new projects this year including a new dairy, assisted living facility, and several expansions of our commercial and industrial customer loads.
- Heard reports from Director Tom Wagner on the recent NIPCO and Basin Board Meetings.
- Approved 32 membership applications for new members.
- Scheduled a Strategic Planning Meeting for January.

# SCHOLARSHIPS *Available*



## Additional Scholarships Awarded

North West REC and Basin Electric Power Cooperative will again be sponsoring four individual \$1,000 scholarships to a dependent of a member of North West REC. There will be **one winner from each of the four districts of North West REC.**

In addition to that amount, North West REC will also sponsor **four \$750 scholarships and four \$500 scholarships to the runners-up** in each district. We will be able to honor a total of 12 applicants.

The scholarship is designed to recognize and encourage the academic achievements of students in the eight-state region where Basin Electric of Bismarck, ND, supplies wholesale electric power.

North West REC members may qualify if their dependent meets the following criteria:

- Must be a U.S. citizen
- Are current North West REC members
- Must be a senior in high school and planning to enroll in a full-time accredited, two-year or four-year college, university or vocational/technical school
- Submit the application as provided by North West REC
- Return all completed forms no later than Friday, February 15, 2019

The selection will be based on a combination of SAT/ACT scores and overall grade-point average, work experience, participation in school and community activities, a personal statement of career goals and a written recommendation by a third party.

If you are interested in applying for this scholarship, send in the registration form below, and we will then send you an application form. You can also apply online by visiting our website at [www.nwrec.coop](http://www.nwrec.coop) or you can e-mail Renee at [rwynia@nwrec.coop](mailto:rwynia@nwrec.coop) and she will mail you an application. If you have any questions, please call Renee at 712-707-4935 or 1-800-766-2099. All entries for the scholarship must be returned to the REC no later than **Friday, February 15!**

### 2019 BASIN SCHOLARSHIP REGISTRATION

*Yes,* I am interested in applying for the scholarship. Please send me the application form.

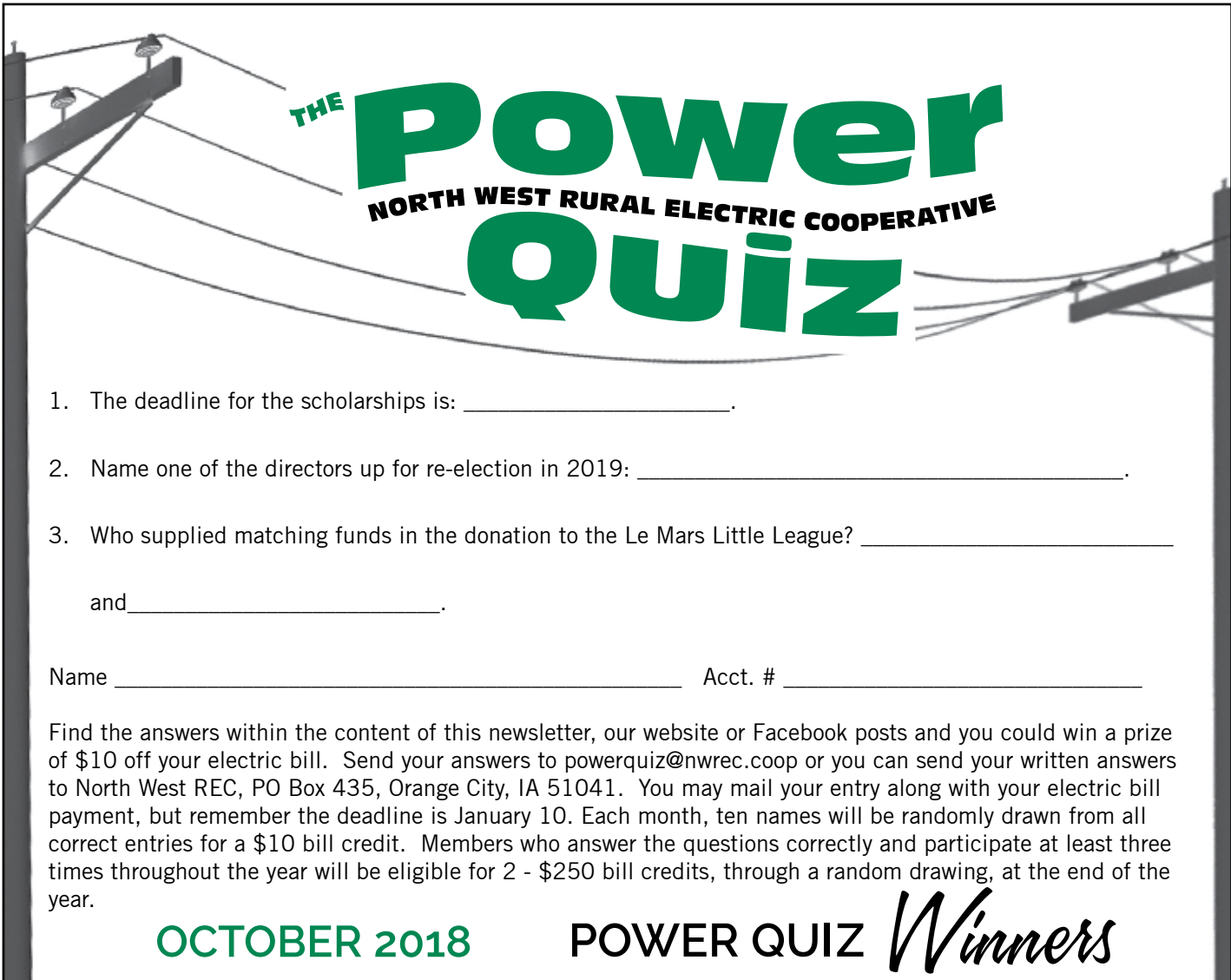
NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

PHONE \_\_\_\_\_

PARENT'S NAME \_\_\_\_\_

MAIL TO: North West REC • Attn: Renee • PO Box 435 • Orange City, IA 51041



# THE **Power** NORTH WEST RURAL ELECTRIC COOPERATIVE **Quiz**


1. The deadline for the scholarships is: \_\_\_\_\_.
2. Name one of the directors up for re-election in 2019: \_\_\_\_\_.
3. Who supplied matching funds in the donation to the Le Mars Little League? \_\_\_\_\_  
and \_\_\_\_\_.

Name \_\_\_\_\_ Acct. # \_\_\_\_\_

Find the answers within the content of this newsletter, our website or Facebook posts and you could win a prize of \$10 off your electric bill. Send your answers to [powerquiz@nwrec.coop](mailto:powerquiz@nwrec.coop) or you can send your written answers to North West REC, PO Box 435, Orange City, IA 51041. You may mail your entry along with your electric bill payment, but remember the deadline is January 10. Each month, ten names will be randomly drawn from all correct entries for a \$10 bill credit. Members who answer the questions correctly and participate at least three times throughout the year will be eligible for 2 - \$250 bill credits, through a random drawing, at the end of the year.


**OCTOBER 2018**

**POWER QUIZ** *Winners*



**Richard Homan, Remsen**  
**Dennis Vander Schaaf, Sheldon**  
**Don Muecke, Hinton**  
**Vernon Harrington, Le Mars**  
**Julie Rice, Hinton**

**William Schirmacher, Ida Grove**  
**Gary Judd, Hinton**  
**Ronald Burkard, Le Mars**  
**Marlin Herbst, Merrill**  
**Lawrence Marquardt, Primghar**



## North West Rural Electric Cooperative

P.O. Box 435 • 1505 Albany Place SE • Orange City, IA 51041-0435

### OFFICE HOURS:

Monday through Friday  
7:30 a.m. till 4:00 p.m.

Orange City office open  
during noon hour

Le Mars office  
closed 12:00 - 12:30 p.m.

Ida Grove office  
8:00 a.m. - 12:00 noon, Mon-Fri

### PHONE:

**ORANGE CITY** (712) 707-4935  
(800) 766-2099

**IDA GROVE** (712) 364-3341

**LE MARS** (712) 546-4149

Outside Depository Available  
for After Hours Payments

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*Editor*