



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

MAASSEN DAIRY FARMS HONORED WITH IOWA VENTURE AWARD

The Iowa Area Development Group (IADG), on behalf of Iowa's rural electric cooperatives, municipal utilities and independent telecommunication companies, honored seven distinguished Iowa companies with the Iowa Venture Award at a luncheon held in conjunction with the Iowa Association of Electric Cooperatives' annual meeting.

For five generations, members of the Maassen family have been raising animals and crops near Maurice. Maassen Dairy is owned and managed by Lee and his sons Aaron, Adam and Stefan. They continue to upgrade their milking parlor, expand their barns, and are currently milking about 1,350 cows. They also raise all the calves born on the farm and grow crops on about 1,000 acres.



Maassen Dairy Farms of Maurice received the 2016 Iowa Venture Award recognizing the company for their recent expansion. Iowa's Secretary of Agriculture, Bill Northey, presented the award on behalf of the Iowa Area Development Group LC (IADG). Pictured left to right: Doug Becker, Scott Feuerhelm, Lyle Korver, North West REC; Adam Maassen, Ashley Maassen, Emily Maassen, Lee Maassen, Maassen Dairy Farms; Bill Northey, Secretary of Agriculture; Mike Meissen, IADG; Jeff Rehder, North West REC; and Rand Fisher, IADG.

The Maassen's have adopted new technologies and management practices over the years to make their cows more comfortable and make the farm safer and more efficient for themselves and employees. They are committed to sustainability throughout their operation, and their manure and nutrient management systems are state-of-the-art.

Maassen Dairy Farms was nominated for the Iowa Venture Award by North West Rural Electric Cooperative.

"The Iowa Venture Awards Luncheon provides a forum to celebrate the courage, contribution, innovation responsibility and vision of Iowa entrepreneurs," said IADG President Rand Fisher. "IADG, on behalf of our sponsors, is proud to recognize these seven outstanding companies for their contribution to their community, region and state."

For 29 years, IADG has presented Iowa Venture Awards to individuals and organizations, both large and small, in recognition of their significant contributions to Iowa's economy through entrepreneurial leadership, innovation and the creation of job opportunities. History has demonstrated that these are among the most accomplished and successful companies in the state. Together they are helping to sustain and grow Iowa's economy. The Iowa Venture Award Hall of Fame showcasing these 248 companies can be found at www.IADG.com/HallofFame.

ON THE INSIDE...

- Changes to Rebates. 2
- Power Outage Information. 3
- Manager's Report 4-5
- Survey Winner 5
- Scholarships Available. 6
- Director Profile: Shirley Benson. 7
- NWREC Recognized for Rural Electric Safety Achievement 7
- Long Time Employees Retire 8

CHANGES TO ENERGY EFFICIENCY REBATES EFFECTIVE JANUARY 1, 2017

Smart Choice Bonus Rebate -- extended through June 30, 2017

- Additional rebate for any new or replacement AAHP \$ 500 per unit
 - Additional rebate for any new or replacement GSHP \$1,000 per unit
 - C&I/Ag Projects – new or replacement AAHP \$ 500 per 5 ton
 - C&I/Ag Projects – new or replacement GSHP \$1,000 per 5 ton
- (requires all electric backup & limit of two rebates per building)

Geothermal Heat Pump Rebate

- Residential, with or without de-superheater \$3,000 per unit
- Meet Energy Specifications COP > =3.3 and EER > = 14.1
- New units installed on to our system, new or replacement
- Commercial/Industrial/Ag Projects – 10 Ton or larger \$ 500 per ton

Air Source Heat Pump Rebate

- New units installed on to our system, new or replacement
- If no back up heat or if back up heat is propane or natural gas:
 - Energy Star Rating 14.5 – 14.99 SEER \$ 400 per unit
 - Energy Star Rating 15.0 – 15.99 SEER \$ 500 per unit
 - Energy Star Rating 16.0 or greater SEER \$ 600 per unit
- If back up heat is electric:
 - Energy Star Rating 14.5 – 14.99 SEER \$ 600 per unit
 - Energy Star Rating 15.0 – 15.99 SEER \$ 700 per unit
 - Energy Star Rating 16.0 or greater SEER \$ 800 per unit
- Commercial/Industrial/Ag Projects – 10 Ton or larger \$ 100 per ton

Central Air Conditioner Rebate

- New units installed on to our system, new or replacement \$ 100 per unit
 - Energy Star Rating 15.0 or greater

Building Insulation Rebate

- Building must have electric heat installed and be used as the primary heating source
- Must be professionally installed for blown-in, spray foam, insulating concrete forms, rigid styrofoam panels and/or structural panel type insulation
- Residential – rebate limited to 30% of installed insulation cost up to a maximum rebate of \$800 per building per calendar year
- Commercial/Industrial/Ag buildings – rebate limited to 10% of installed insulation cost up to a maximum rebate of \$2,000 per building per calendar year

Continued on page 3

Lighting Rebate

Commercial/Industrial/Ag buildings of livestock confinement – new or replacement

Must be a minimum of 500 watts to qualify for a rebate (0.5 kw)

- Compact Fluorescent Bulbs (CFL), T-8 and/or T-5 Fluorescent Tubes \$100 per kw
- Light-Emitting Diodes (LED) \$300 per kw
- Reduced wattage metal halide low ballast lamps \$ 25 per kw
- LED Security Light/Wall Packs \$ 25 per light

- Residential LED Bulbs (rebate will not exceed price of bulb) \$3.00 per bulb
(maximum rebate of \$150 for a 5-year time period)

Variable Speed and Soft Start Motors Rebate

- \$40 per horsepower – new or replacement
- Commercial/Industrial/Ag buildings (seasonal applications are not eligible)
- Up to a maximum rebate of \$5,000 per motor

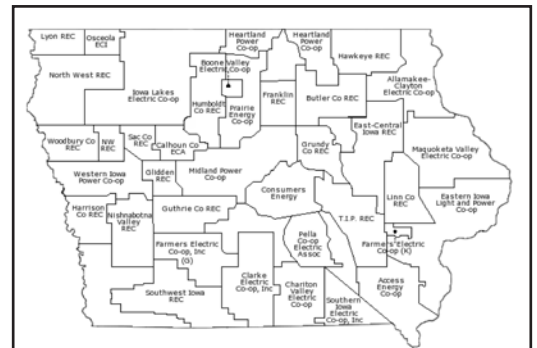
All other rebates remain the same for 2017. If you want to see a complete rebate listing, please contact our office or check out our website at www.nwrec.coop. We're here for you if you need any additional information or to see if you qualify for a rebate. Call North West REC at 712-707-4935 or 800-766-2099.

IOWA ELECTRIC COOPERATIVES UPDATE WEB-BASED POWER OUTAGE INFORMATION RESOURCE

Information about power outages effecting homes, businesses and farms served by North West REC is available online at www.iowarec.org, the website of the Iowa Association of Electric Cooperatives.

This web resource, developed by the Iowa Association of Electric Cooperatives, provides a statewide view of power outages at electric cooperatives that deliver electricity in each of the state's 99 counties to approximately 650,000 Iowans. When you log onto the power outage tool, you will see a map of Iowa, and you can view the information from a county-by-county view of Iowa or electric co-op-by-electric co-op view, including North West REC. At the website you also will be able to obtain safety information as well as link to North West REC. In addition to going to the statewide association's website to view the maps, you can check out the information at <http://outages.iowarec.org>.

When there are widespread power outages in Iowa or isolated power outages impacting large numbers of Iowans, North West REC will enter information onto the website. The website will automatically refresh every 10 minutes, so it will reflect the most recently entered information from the electric co-ops. When only a few North West REC member-consumers are without power, the website may not necessarily reflect that information.





Lyle D. Korver

“Your Cooperative had another successful year in 2016, and we are looking forward to continuing to work hard in 2017 to provide reliable electric service for our members at the lowest possible cost.”

MANAGER’S REPORT

2017 Budgets Completed Significant System Improvements Planned

Happy New Year: As we begin another year, I want to use this opportunity to extend our best wishes to you and your family for a healthy, happy and successful 2017. Your Cooperative had another successful year in 2016, and we are looking forward to continuing to work hard in 2017 to provide reliable electric service for our members at the lowest possible cost.

Each year we evaluate what we have done well and what we could improve on to better serve our members. As part of our planning for each new year, we prepare a detailed work plan, capital outlay budget and operating budget. Management reviews the proposed budgets for the upcoming year with the board of directors to get their input and approval.

We prepare two annual budgets – an Operating Budget and a Capital Outlay Budget. The Operating Budget includes detailed projections on revenues, expenses, margin levels and financial ratios. The Capital Outlay Budget includes new construction projects, system improvements, new services and the planned expenditures for new transformers and meters.

Here are a few highlights from the 2017 Operating Budget:

2017 Operating Budget Summary			
\$54 million in Operating Revenues	\$42.2 million in purchased power costs	\$4.4 million in margins	It should not be necessary to raise rates in 2017 & financial targets should be met

Good news on rates: We are very pleased to report that it should not be necessary to increase base rates in 2017. The current rate structure was implemented on June 1, 2015, and the power cost adjustment (PCA) was set at 0. The PCA was actually a credit of 2.87 mills in 2016 as a result of passing along a refund of rail car overcharges that was refunded by our power supplier - and then NWREC passed along to our members. In 2017, the PCA will be one mill or 1/10 of one cent per kWh.

Capital Outlay Budget Summary:

- \$250,000 budgeted for new services and new construction
- \$375,000 budgeted for service revisions/upgrades
- \$894,000 budgeted for new three phase line construction projects – tie lines between substations, and replacement of older three phase line
- \$1,540,000 budgeted for replacing older single phase line with new overhead or underground line
- \$650,000 budgeted for new transformers and meters

The total Capital Outlay Budget for distribution plant improvements is \$4 million

This is higher than the 5 year average of \$3.2 million

We purchased a new underground plow this year with the goal of increasing the number of miles of older line that will be replaced each year. It will also lead to a higher percentage of our line being underground. We believe this will definitely help to improve service reliability for our members.

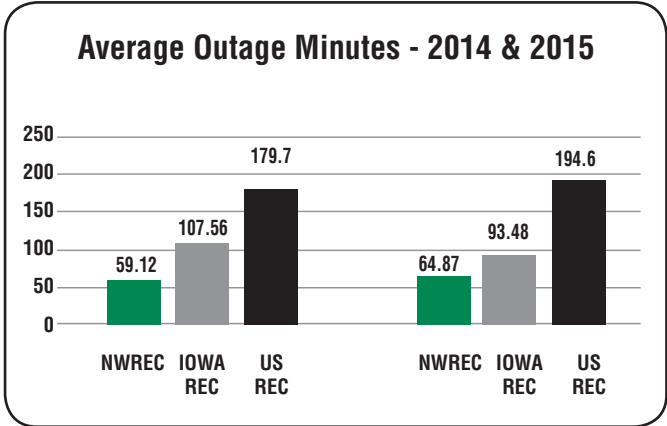


We receive a report each year from our lender, CFC, that includes a number of our key ratios, including our service reliability. It includes the median numbers of the other REC's in Iowa and the U.S., which enables us to compare and benchmark our ratios with other cooperatives. We're pleased to report that NWREC's service reliability compares very well on both a state and national level. We believe this reflects the ongoing system improvements and maintenance programs that we do each year.



We will also replace older overhead line with new overhead line in certain areas where overhead works well and is more cost effective. The new line construction has much shorter span lengths, bigger poles, and improved cross arms and other hardware. This new line is able to handle ice load much better than the older line that had longer span lengths.

This is a picture of a three mile project on the Hoppers South circuit that was completed in 2016.



Congratulations to John Schroeder of Remsen as he was the grand prize winner of the YETI cooler in the drawing for the member engagement survey. Winners of the \$100 bill credits were Harold Burcham, Sioux City; Richard Van Surksum, Rock Valley; Jeff Wool-dridge, Sioux City; and Brent McDowell, Hartley. Thanks to all the members who completed the survey!

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 10, 2017**

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 or you can e-mail Lorraine at legdorf@nwrec.coop and she will mail you an application. If you have any questions, please call Lorraine 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 10!**



2017 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: Lorraine • PO Box 435 • Orange City, IA 51041

Director Profile: SHIRLEY BENSON

Here's a chance for you to get to know your Board of Directors a little better.

Family: Robert Benson, husband of 41 years

Occupation: Retired teacher and school administrator

Interests: Reading, playing golf, and traveling to view National Parks and other amazing sights

What I enjoy about serving as an NWREC Director:

I enjoy meeting with NWREC member-consumers and helping them understand that being a cooperative really means working together for the benefit of everyone involved. I also find learning new information very satisfying. That's why I have taken several electrical trainings to earn my Credentialed Cooperative Director Certificate and my Board Leadership Certificate. The series of trainings to earn these certificates have helped me better understand how I can be an effective director during the meetings of the NWREC board and the Iowa Association of Electric Cooperatives.



NORTH WEST REC RECOGNIZED FOR COMPLETING RURAL ELECTRIC SAFETY ACHIEVEMENT

The Rural Electric Safety Achievement Program strives to promote the highest standards of safety, enabling electric co-ops to take ownership of their individual safety programs. RESAP emphasizes the idea that cooperative leaders and employees take ownership of their safety plan and its system and processes that create a safe working environment. This is only achieved by developing a strong, proactive safety culture where safety is embraced as a core value.

The RESAP on-site assessment includes an unannounced inspection, which involves a crew inspection and underground and overhead inspections conducted by statewide association safety instructors.

During the IAEC annual meeting, North West REC was recognized for completing the Rural Electric Safety Achievement Program in 2016.



Pictured, l-r: Chuck Soderberg, IAEC Executive Vice President; Jeff Rehder, Board President of NWREC; Lyle Korver, NWREC Manager; and Steve Seidl, IAEC Board President.

LONG TIME EMPLOYEES RETIRE

With the beginning of the new year, there are a few changes in the Orange City office.

Gaylene Eshuis officially retired October 31 but will return to help out in the Operations Department part-time. Gaylene started as the Work Order Clerk for Sioux Electric Coop in 1984 and was the Operations Coordinator and dispatcher for North West REC.

Delores Lancaster retired in November after working for Plymouth Electric and North West REC as the Executive Secretary for 25 years. Most of you probably talked to Delores over the years as she answered the majority of the phone calls.



We want to congratulate both Gaylene and Delores and thank them for their many years of service with the organization. We wish them the very best in their retirement years.

New Year's Greeting

As we step from the old year into the new, we extend best wishes to our member-owners and their families. Health, happiness and prosperity head our list of wishes. And with our wishes comes our pledge that stays the same year in, year out – reliable service for you.

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

Lyle D. Korver
CEO & General Manager

Curt Ahrenholz
*Finance & Office
Services Director*

Lorraine Egdorf
Editor