



NEWS *Lines*

PUBLISHED MONTHLY FOR THE MEMBER-OWNERS OF NORTH WEST RURAL ELECTRIC COOPERATIVE



The holidays are upon us. For many, that means more celebrations with friends and family, travel, decorations, cooking and shopping. North West REC wants you to stay safe during the holidays, so here are a few tips to consider as you gear up for the season.

We can't guarantee that the hustle and bustle of the season won't leave you with a few frayed nerves, but we can certainly help you avoid frayed wires.

INSPECT YOUR SEASONAL ITEMS

Take a few moments to carefully inspect all your holiday items to ensure everything is in safe, working order. A few things to look for include:

- Chafed, frayed or damaged wires
- Cracked sockets, loose connections
- Be sure to use only lights and other electrical decorations that have been certified such as UL

DON'T OVERLOAD EXTENSION CORDS

Extension cords are designed for temporary use and should never be used as a permanent or long-term solution.

- Don't run cords under rugs, carpet or baseboards. This can create a fire hazard.
- The tag at the end of an extension cord will tell you if it's rated for outdoor use; and similarly, holiday lights will tell you how many strings can be safely linked together.
- Make sure your plugs fit together. Rather than tampering with a safety feature, find a safe solution.

LOOK UP AND LIVE

When working outside with a ladder, be mindful of the location of overhead power lines. Always carry your ladder so that 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.

- Avoid stringing lights in trees near power lines
- Use only electrical decorations that are certified for outdoor use

We wish you a safe and happy holiday season!

DECEMBER 2019

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SCHOLARSHIPS *Available*



Additional Scholarships Awarded

North West REC and Basin Electric Power Cooperative will be sponsoring several scholarships to dependents of members of North West REC in 2020.

There will be one **\$1,000 scholarship winner** and one **\$750 scholarship winner** from each of the four districts of North West REC. The selection process for the \$1,000 scholarship winner and \$750 scholarship winner 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 reference by a third party. The winners of these scholarships will be recognized and awarded at the district meetings in the spring.

In addition, there will be several randomly selected \$500 and \$250 scholarships awarded to scholarship applicants at each of the four district meetings of North West REC. In order to receive one of the randomly selected \$500 and \$250 scholarships, students must be present at the meeting to win.

The scholarships are 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 for the 2019-2020 school year and planning to enroll in a full-time undergraduate or graduate course of study at an 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 28, 2020

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 Renee at 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 28!**

2020 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

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 District 3; and there will not be a director election in Districts 1, 2 and 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 3 – Plymouth Co.

Dennis Baldwin
20911 C43
Merrill, IA 51038
712-239-5554
712-490-7097

Greg Roepke
38724 C70
Kingsley, IA 51028
712-378-2297
712-540-5971

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

Patricia Schultz
30713 350th St
Merrill, IA 51038
712-548-7368

Your Current Board of Directors

District 1

Steve Abma, Rock Valley
Dave Bosma, Hospers
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 2020



Left to right: Steve Brown, Dave Bosma, Jeff Rehder, Scott Feuerhelm, Dan Hoffman, Shirley Benson, Steve Abma, Doug Becker, Chad Dau, Dale Ullrich and Tom Wagner

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.



Lyle D. Korver

MANAGER'S *Report*

"We continue to add new services, (averaging over 100 new services per year) and kilowatthour (kWh) sales have grown significantly over the years."

Update on Rates Rates to Remain Stable in 2020

As we close out another successful year for North West REC, I'm pleased to remind our members that rates will continue to remain stable in 2020. Last year the Board of Directors made the decision to keep rates stable for 2019 and 2020, which was great news.

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:

<u>Years</u>		<u>Year</u>
2015, 2016	➡	
2017, 2018, 2019		⬅
	Monthly Facility Charge - \$21.50	2020
	First 300 kWh's – 14.5 cents	
	Next 200 kWh's – 9.8 cents	
	Balance over 500 – 8.1 cents	

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 had increased slightly over the last four years, but it actually decreased from 1.6 mills in 2018 down to 1.2 mills in 2019. We have one more month to go before we can make the calculation for 2020, but it appears that the PCA will decrease again to less than 1 mill.

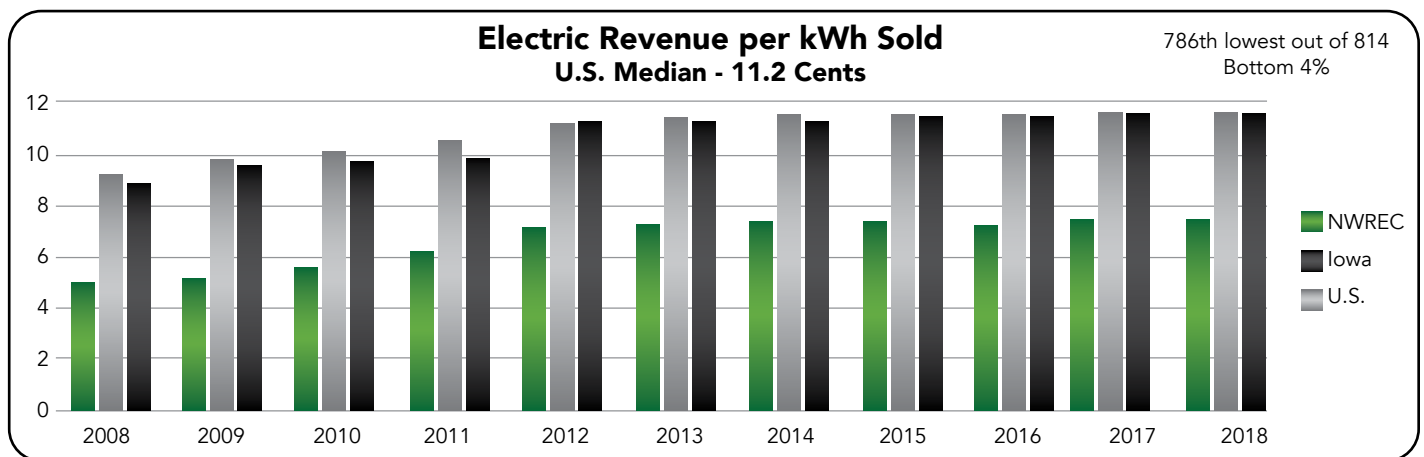
This is great news for our members and the Cooperative! We have some of the most competitive electric rates in the U.S. and this will continue!

The main reason that we have been able to have stable rates is that we continue to have excellent growth. We continue to add new services, (averaging over 100 new services per year) and kilowatthour (kWh) sales have grown significantly over the years. Another important factor is our wholesale purchased power costs, which make up 80% of our total operating expenses, have stabilized in recent years and are projected to decrease just slightly in 2020. 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 again for 2020 and hopefully even beyond next year - 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 814 REC's included in this analysis, and I'm pleased to report that your Cooperative compares very well overall.

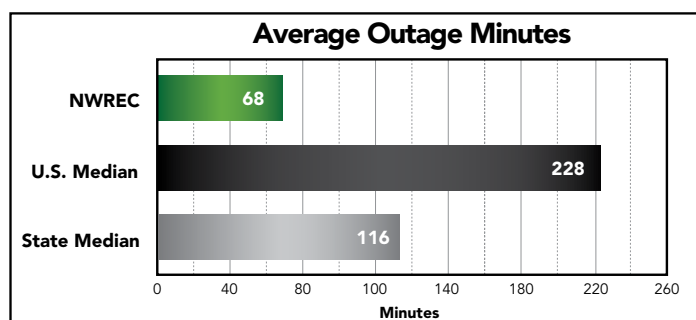
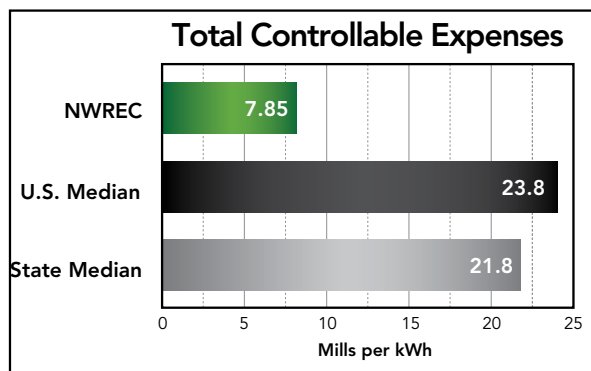
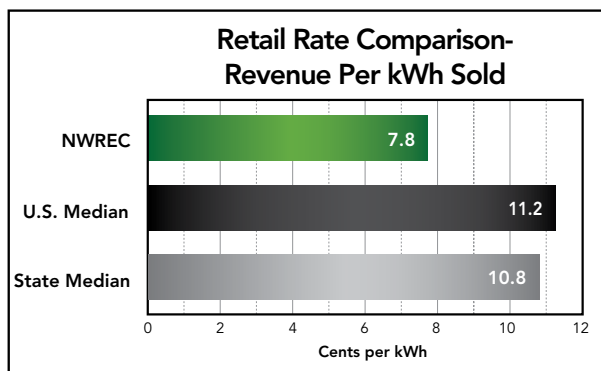
One of the statistics shows a comparison of how NWREC rates compare to the other REC's. The graph below shows that when you compare the revenue per kWh sold for all of the cooperatives, NWREC's rates are in the lowest 4% in the U.S. It also compares NWREC's rates to the median rates of the other REC's.



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 2018.

Ratio	NWREC	U.S. Rank	State Rank	U.S. Median
Total kWh Sales	706,146,000	181st highest	Highest	329,946,000
Avg. Farm/Res. Usage per month	2,483 kWhs	3rd highest	3rd highest	1,206
Total Controllable Expenses per kWh Sold	7.85 mills	13th lowest	Lowest	23.8 mills
Long Term Debt per kWh sold	52.7 mills	149th lowest	2nd lowest	115 mills
Service Reliability-Avg. Outage Minutes per Consumer	68 minutes	93rd lowest	8th lowest	228 minutes
Equity as a % of Assets	49%	315th highest	11th highest	45.6%

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 to 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 31

The following is a brief summary of the discussions and decisions from the board meeting held on October 31:

- Received monthly safety, operations and financial reports from staff. Heard that the Workmen's Comp Experience Modification continues to be well below the industry average due to the excellent safety performance of the employees the last six years and this is resulting in significant premium savings.
- Heard an Operations Department update. For the first nine months of 2019, we have added 78 new services and 94 service revisions; 10 miles of overhead line has been respanded and 23 miles of overhead line has been replaced with new underground line.
- Received an update on ethanol sales. NWREC serves four ethanol plants and one of the plants has been shut down for a few weeks. However, they recently announced plans to restart the plant next week.
- Appointed the Nominating Committee members for 2020 director nominations.
- Approved moving forward with the next phase of the pilot project we have been doing 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. Approved a ten-year contract for service for a new three-phase service.
- Received a staffing update. Tom Marcotte has announced his retirement following 34 years of service.
- Heard reports from Director Tom Wagner on the recent NIPCO and Basin Board Meetings.
- Approved 28 membership applications for new members.
- Approved the write-off of uncollectible accounts in the total amount of \$10,737.
- Reviewed plans for the Patronage Days and District Meetings.



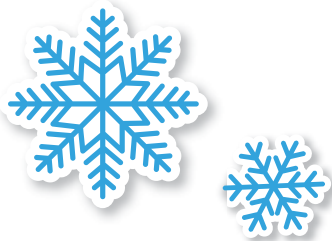
PATRONAGE RETIREMENT



The Board of Directors has approved the retirement of patronage this year, and the total amount will be \$1,353,000. This year's retirement will be for the year 2007's assignment.

If you were unable to attend the Member Patronage Days and pick up your check, you will receive your check by mail 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 \$1,353,000 patronage refund, it brings the total patronage that has been returned to the members during the last 80 years to over \$26 million! We believe this is a true demonstration of what a Cooperative is all about!



Tom Marcotte Retires

We want to congratulate Tom Marcotte on his 34-year career with Plymouth Electric and North West REC. Tom began his employment with Plymouth Electric Cooperative in 1985. He has served as a Lineman, Lead Lineman in Le Mars and Utility Lineman.

We want to thank him for his dedication and hard work for the Cooperative and the member-owners. He is looking forward to a lot of camping and a trip to Alaska in the future. We wish him and his wife a great retirement!



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 2020!

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



THE POWER QUIZ

NORTH WEST RURAL ELECTRIC COOPERATIVE

1. Which director's term is expiring in 2020? _____
2. The deadline to return the scholarship information is _____.
3. Where does North West REC rank in the state in total kWh sales? _____

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 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.

POWER QUIZ *Winners*

OCTOBER 2019



Glen Udell – Hinton
 Fred Chartier – Sioux City
 Ann Lill – Le Mars
 Tim Streck – Ida Grove
 Kim Zobel – Ida Grove

Lloyd Cleveringa – Orange City
 George Laughton – Le Mars
 Kyle Puhmann – Paullina
 Alan Bolkema – Sioux Center
 Harvey Verbrugge - Sanborn



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